

**AGENDA OF A REGULAR MEETING - NATIONAL CITY CITY COUNCIL/
COMMUNITY DEVELOPMENT COMMISSION – HOUSING AUTHORITY OF
THE CITY OF NATIONAL CITY**



**COUNCIL CHAMBERS
CIVIC CENTER
1243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CALIFORNIA
TUESDAY, DECEMBER 13, 2016 – 6:00 PM**

RON MORRISON
Mayor

JERRY CANO
Vice Mayor

ALBERT MENDIVIL
Councilmember

MONA RIOS
Councilmember

ALEJANDRA SOTELO-SOLIS
Councilmember

ORDER OF BUSINESS: Public sessions of all Regular Meetings of the City Council / Community Development Commission - Housing Authority (hereafter referred to as Elected Body) begin at 6:00 p.m. on the first and third Tuesday of each month. Public Hearings begin at 6:00 p.m. unless otherwise noted. Closed Sessions begin at 5:00 p.m. or such other time as noted. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda. The Mayor and Council members also sit as the Chairperson and Members of the Board of the Community Development Commission (CDC).

REPORTS: All open session agenda items and reports as well as all documents and writings distributed to the Elected Body less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Elected Body are webcast and archived on the City's website **www.nationalcityca.gov**.

PUBLIC COMMENTS: Prior to the Business portion of the agenda, the Elected Body will receive public comments regarding any matters within the jurisdiction of the City and/or the Community Development Commission. Members of the public may also address any item on the agenda at the time the item is considered by the Elected Body. Persons who wish to address the Elected Body are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Mayor or Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Mayor or Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or irrelevant.

**1243 National City Blvd.
National City
619-336-4240**

**Meeting agendas and
minutes available on web**

WWW.NATIONALCITYCA.GOV

WRITTEN AGENDA: With limited exceptions, the Elected Body may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

CONSENT CALENDAR: Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of

the agenda and separately considered, upon request of a Councilmember, a staff member, or a member of the public.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Spanish audio interpretation is provided during Elected Body Meetings. Audio headphones are available in the lobby at the beginning of the meeting.

Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audífonos están disponibles en el pasillo al principio de la junta.

COUNCIL REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING CITY COUNCIL MEETINGS.

OPEN TO THE PUBLIC

A. CITY COUNCIL

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE TO THE FLAG

PUBLIC COMMENTS (THREE-MINUTE TIME LIMIT)

PROCLAMATIONS

AWARDS AND RECOGNITIONS

1. [Employee of the Quarter 2016 - Paul Kane, Fire Engineer](#)

PRESENTATIONS

INTERVIEWS / APPOINTMENTS

CONSENT CALENDAR

2. [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances considered at this meeting and providing that such Ordinances shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)
3. [Resolution of the City Council of the City of National City authorizing the Mayor to execute a First Amendment to the Service Agreement between the City of National City and MediFit Community Services LLC, doing business as EXOS, exercising the option to extend the term by 12 months beginning July 1, 2017 and ending on June 30, 2018. \(Community Services\)](#)
4. [Resolution of the City Council of the City of National City, 1\) awarding a contract to Palm Engineering Construction Company, Inc. in the not-to-exceed amount of \\$983,756.49 for the Division Street Traffic Calming Project, CIP No. 16-09; 2\) authorizing a 15% contingency in the amount of \\$147,563.47 for any unforeseen changes; and 3\) authorizing the Mayor to execute the contract. \(Engineering/Public Works\)](#)

PUBLIC HEARINGS

ORDINANCES FOR INTRODUCTION

5. [\(A\) An Ordinance of the City Council of the City of National City establishing the compensation of the Mayor and the City Council. \(City Attorney\); \(B\) An Ordinance of the City Council of the City of National City establishing the Retiree Health Care Benefits for the Mayor and City Council. \(City Attorney\)](#)

ORDINANCES FOR ADOPTION

NON CONSENT RESOLUTIONS

6. [Resolution of the City Council of the City of National City authorizing the following actions to facilitate completion of priority Capital Improvement Program \(CIP\) projects: 1\) release of General Fund \(GF\) appropriations in the amount of \\$990,460.24 from Civic Center Chiller, Kimball Tower Rehab, George H. Waters Nutrition Center Improvements \(Phases I & II\), Kimball Recreation Center Roof Replacement, MLK Jr Community Center Improvements, and Casa de Salud Manuel Portillo Youth Center Improvements projects; 2\) appropriate \\$990,460.24 to corresponding GF expenditure accounts for Police Department Building Improvements \(Phase I\), ARTS Center Roof Replacement, Drainage Improvements, and Street Resurfacing projects; 3\) release of Information Systems Maintenance \(ISM\) appropriations in the amount of \\$70,171.70 from Security Card Access System and Civic Center Data Center AC projects; and 4\) appropriate \\$70,171.70 to corresponding ISM expenditure account for Public Safety Cameras project for the National City Aquatic Center. \(Engineering/Public Works\)](#)
7. Resolution of the City Council of the City of National City authorizing the Mayor to execute a Site Infrastructure Agreement between the City of National City and Paradise Creek II Housing Partners, L.P., a California limited partnership, to subcontract the City to perform remediation work needed on the public park component of the Westside Transit-Oriented Affordable Housing and Paradise Creek Enhancement Project and pay the City \$4,800,000 in satisfaction of Paradise Creek II Housing Partners obligation to improve said public park and establishing the appropriation and corresponding revenue budget for said Agreement. (Housing & Economic Development)

NEW BUSINESS

8. [Selection of Vice-Mayor](#)
9. [Temporary Use Permit – South Bay Community Church requesting to have a shipping container for storage at 2400 Euclid Avenue from December 14, 2016 thru December 14, 2017 with no waiver of fees. \(Neighborhood Services\)](#)

10. [Temporary Use Permit – “Frank King’s Christmas with Kids” hosted by Christmas with Kids at 223 E. 3rd Street on December 25, 2016 from 7 a.m. to 11 a.m. The applicant has requested a waiver of fees. \(Neighborhood Services\)](#)
11. [Scheduling of City Council workshops related to the discussion and preparation of the City of National City’s annual budget for Fiscal Year 2018 and Five-Year Strategic Plan. \(Finance\)](#)
12. [Staff Report: Fiscal Year 2016 and 1st Quarter Fiscal Year 2017 Budget Review. \(Finance\)](#)

B. COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY

PUBLIC HEARINGS- HOUSING AUTHORITY

CONSENT RESOLUTIONS- HOUSING AUTHORITY

NON CONSENT RESOLUTIONS- HOUSING AUTHORITY

NEW BUSINESS- HOUSING AUTHORITY

C. REPORTS

STAFF REPORTS

MAYOR AND CITY COUNCIL

CLOSED SESSION REPORT

ADJOURNMENT

Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday - January 17, 2016 - 6:00 p.m. - Council Chambers - National City, California.

City Council and Community Development Commission - Housing Authority of the City of National City Meeting Schedule for the Period December 20, 2016 through January 17, 2017:

December 20, 2016 - Dispense with Meeting - 6:00 pm
January 03 - Dispense with Meeting - 6:00 pm
January 17 - Regular Meeting - 6:00 pm

The following page(s) contain the backup material for Agenda Item: Employee of the Quarter 2016 - Paul Kane, Fire Engineer



CITY OF NATIONAL CITY
M E M O R A N D U M

DATE: December 1, 2016
TO: Leslie Deese, City Manager
FROM: Stacey Stevenson, Deputy City Manager
SUBJECT: EMPLOYEE OF THE QUARTER PROGRAM

The Employee Recognition Program communicates the City's appreciation for outstanding performance. In doing so, it recognizes employees who maintain high standards of personal conduct and make significant contributions to the workplace and community.

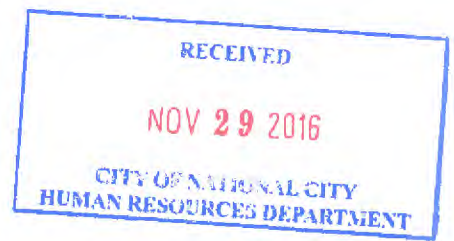
The employee to be recognized for the Fourth Quarter of calendar year 2016 is:

Paul Kane – Fire Engineer

By copy of this memo, the employee is invited to attend the Council meeting on Tuesday, December 13, 2016 to be recognized for his achievement and service.

Attachment

cc: Paul Kane
Frank Parra – Director of Emergency Services
Josie Flores-Clark – Executive Assistant IV
Human Resources – Office File



**Performance Recognition Award
Nomination Form**

I nominate Engineer Paul Kane

For the Performance Recognition Award for the following reasons:

Please state reason why your nominee should receive an award, (i.e., examples of service beyond requirements of position, exemplary service to the public, outstanding job performance, etc.) Do not to exceed 150 total words. Please be as specific as possible when giving your examples.

Engineer Paul Kane is very reliable on the fire ground and in the fire house. He shares his skills constantly with fellow fire personnel. This includes his construction knowledge which which has proven to be invaluable many times. He has taken leadership construction roles on behalf of the National City Fire Department as well as projects for National City residents including Habitat for Humanity, the Sanchez Family Home project and many more.

He constructed a V.E.I.S. room in the drill tower, which has been used to train Firefighters from all over the county.

Paul is also a member of the Department Rescue Committee, which is responsible for researching new equipment and implementing new tactics and strategies.

He is an exemplary employee and an outstanding crew member. His commitment to providing the highest possible standard of care to the citizens of National City is an asset to the department and the City.

FORWARD COMPLETED NOMINATION TO:

**National City Performance Recognition Program
Human Resources Department**

Nominated by: Frank Parra, Director of Emergency Services

Signature: 

Date: November 29, 2016

The following page(s) contain the backup material for Agenda Item: Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances considered at this meeting and providing that such Ordinances shall be introduced and/or adopted after a reading of the title only. (City Clerk)

ITEM #

12-13-16

**MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE
ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING
THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR
ADOPTED AFTER A READING OF THE TITLE ONLY.**

(CITY CLERK)

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City authorizing the Mayor to execute a First Amendment to the Service Agreement between the City of National City and MediFit Community Services LLC, doing business as EXOS, exercising the option to

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 6, 2016

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the Mayor to execute a First Amendment to the Service Agreement between the City of National City and MediFit Community Services LLC, doing business as EXOS, exercising the option to extend the term by 12 months beginning July 1, 2017 and ending on June 30, 2018. (Community Services)

PREPARED BY: Audrey Denham

PHONE: 619-336-4243

EXPLANATION:

See attached staff report.

DEPARTMENT: Community Services

APPROVED BY: _____



FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO. |

APPROVED: _____ **MIS**

During FY18 budget development staff will include \$422,000 in the Community Services Contract Services account.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, is not subject to environmental review.

ORDINANCE:

INTRODUCTION: ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Adopt the resolution authorizing the Mayor to execute a First Amendment to the Service Agreement between the City of National City and EXOS.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Staff Report
2. Service Agreement
3. Amendment to Service Agreement



City Council Staff Report

December 13, 2016

ITEM

Staff Report: Resolution of the City Council of the City of National City authorizing the Mayor to execute a First Amendment to the Service Agreement between the City of National City and MediFit Community Services LLC, doing business as EXOS, exercising the option to extend the term by 12 months beginning July 1, 2017 and ending on June 30, 2018.

BACKGROUND

On November 3, 2015 City Council approved a 20 month Service Agreement with MediFit Community Services LLC, now doing business as EXOS, to provide aquatic services at Las Palmas Pool. As a result, the City and EXOS successfully reopened Las Palmas Pool in February 2016 providing recreational swim, lap swim, aquatic exercise classes, learn to swim classes and facility rentals. The Service Agreement with EXOS is set to expire on June 30, 2017, and an extension is required in order to continue providing uninterrupted services to National City residents. Upon mutual agreement the City and EXOS may extend the term of the Service Agreement for an additional 12 months, extending the Service Agreement until June 30, 2018.

SUMMARY OF FIRST AMENDMENT

City staff and EXOS have been negotiating a 12 month extension to the Service Agreement, which includes a new EXOS operating budget and revisions to agreement language to reflect actual operations.

The new EXOS operating budget is estimated at \$422,000 for Fiscal Year 2018 (FY 18) and includes payroll and staffing expenses, marketing and administrative costs and monthly base management fees. There is an increase in EXOS' operating expenses and monthly management fees of \$28,000 from FY17 to FY18. This increase is attributable to an increase in services, specifically the National School District third grade learn to swim program. The \$28,000 increase is offset by \$40,000 paid to the City by the National School District for the third grade learn to swim program. The City will continue to be financially responsible for utilities, chemicals, facility and landscape maintenance, and janitorial services. In addition, revenue generated from recreational programs and facility rentals will continue to be collected by EXOS and submitted to the City.

Additional revisions to the agreement to reflect actual operations include the following:

1. Acceptance of the name change from MediFit to EXOS.
2. Addition of the National School District third grade learn to swim program.
3. Change in operating hours to accommodate lap swimmers at 5:00 a.m.
4. Addition of the City's Social Media Policy.
5. Clarification on how EXOS invoices the City, and how revenue is collected and submitted to the City.
6. Addition of language prohibiting consumption of alcohol at Las Palmas Pool.

RECOMMENDATION

Adopt the resolution authorizing the Mayor to execute a First Amendment to the Service Agreement between the City of National City and EXOS.

FISCAL IMPACT

During FY18 budget development staff will include \$422,000 in the Community Services Contract Services account.

**SERVICE AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
MEDIFIT COMMUNITY SERVICES LLC
FOR THE OPERATION OF LAS PALMAS POOL**

This Service Agreement (this "Service Agreement") is entered into by and between the CITY OF NATIONAL CITY, a municipal corporation (the "CITY"), and MEDIFIT COMMUNITY SERVICES LLC, a limited liability company ("MEDIFIT").

RECITALS

- A. The CITY owns the real property commonly known as Las Palmas Pool, located at 1800 E. 22nd Street, National City, California (the "Premises") as depicted on Exhibit A.
- B. MEDIFIT is a privately-held fitness and wellness management and consulting company and is in the business of designing, managing and operating all aspects of mixed use health, fitness and aquatics centers similar to Las Palmas Pool.
- C. The CITY wishes to have MEDIFIT operate the Las Palmas Pool with MEDIFIT programs serving the local community.
- D. The CITY is responsible for repair and maintenance of the Premises, which includes improvements, landscaping, janitorial, facility maintenance, chemical maintenance and information technology. The City desires to engage MEDFIT to operate of the Premises, which includes, personnel, programming, events and operating procedures and policies.

NOW, THEREFORE, in consideration of the foregoing facts, and in consideration of the promises and covenants hereinafter set forth, the parties agree as follows:

**ARTICLE 1
TERM OF AGREEMENT**

1.1 Term. The term of this Service Agreement shall be for twenty (20) months beginning November 4, 2015 (the "Commencement Date") and terminating on June 30, 2017 (such period, the "Term").

1.2 Option to Extend Term. This Service Agreement may be extended upon mutual agreement between the parties. If either party desires an extension, the requesting party must make the request for an extension to the Term no less than nine (9) months prior to the end of the Term and mutual agreement must be reached no less than six (6) months prior to the end of the Term. At the time of an extension request, MEDIFIT and the CITY shall discuss a mutually agreed upon scope of work for the extended Term. The CITY and MEDIFIT may mutually agree to extend the Term of this Service Agreement for up to two (2) additional one (1) year terms.

1.3 Transition Period. Should the CITY or MEDIFIT decide not to extend this Service Agreement within the timeframe above, MEDIFIT will work with the CITY to transition the operations to the CITY over the six (6) month period preceding the end of the Term of this Service Agreement.

ARTICLE 2 PREMISES AND PERSONAL PROPERTY

2.1 Facilities to be Operated. For the purpose of operating the Premises for the benefit of the citizens of National City, the CITY hereby engages MEDIFIT to operate the Premises, subject to the covenants and conditions hereinafter set forth, on the Commencement Date. Facilities to be operated include the main pool, the activity pool, the locker rooms, main pump and storage rooms and the main lobby and administrative offices (the "Facilities"). The main pool is 50 meters by 19.8 meters, with 8 lanes of 50 meters, including one 3 meter diving board and two 1 meter diving boards. The activity pool is 80 feet long and at its widest it is 45 feet wide with a total area of 81,000 square feet; it has 4 different spray features and a 16 foot high slide with a ride length of 134.58 feet. The locker rooms are enclosed by a high wall and have a large changing area, showers and restrooms. There is a main pump room adjacent to the pool along with multiple storage rooms. There is also a main lobby and administrative offices.

2.2 Ownership of Personal Property and Improvements. The rights and obligations of the parties regarding the ownership of personal property and improvements on the Premises shall be as follows:

2.2.1 All of the CITY's personal property not permanently affixed to the Premises ("Personal Property"), such as but not limited to, furnishings, office equipment and supplies shall remain the property of the CITY. All improvements existing on the Premises ("Improvements"), together with all fixtures permanently attached to the Premises ("Fixtures"), as of the Commencement Date shall remain the property of the CITY during the Term. MEDIFIT shall not remove any Personal Property, Improvements, or Fixtures from the Premises nor waste, destroy, or modify any Personal Property, Improvements, or Fixtures on the Premises. All new Improvements, together with all new Fixtures permanently attached to the Premises, after the Commencement Date shall remain the property of the CITY during the Term. MEDIFIT shall not remove any of the CITY's Personal Property, Improvements, or Fixtures from the Premises nor waste, destroy, or modify any Personal Property, Improvements, or Fixtures on the Premises.

2.2.2 All of MEDIFIT's personal property not permanently affixed to the Premises shall remain the property of MEDIFIT.

ARTICLE 3 PERMITTED USE

3.1 Permitted Uses. MEDIFIT shall operate the Premises by providing for and facilitating the following proposed activities beginning January 2016, which may be amended or replaced from time-to-time by agreement of the authorized representatives of the parties:

3.1.1 Open Swim on Saturday and Sunday throughout the year and open swim seven (7) days a week during the months of June, July and August; as well as during the National School District two (2) week fall break that occurs during September and/or October. In addition, consideration based on need will be given for an expanded open swim schedule during the National School District two (2) week winter and spring breaks.

3.1.2 Learn to swim classes throughout the year based on community needs. The number of classes offered will increase during the months of June, July and August. A variety of learn to swim classes for youth and adults with varying levels of experience will be offered. Cancellation of classes is permitted if enrollment is under three (3) participants.

3.1.3 Exercise classes for various ages and abilities and offered based on community needs. Cancellation of classes is permitted if enrollment is under five (5) participants.

3.2 Hours of Service. MEDIFIT may provide programming between the hours of 7:00 a.m. and 10:00 p.m. seven (7) days a week beginning January 2016. Hours of service may be changed upon mutual agreement.

3.2 CITY Use. The City may use the Premises for special events including National Night Out and Summer Movies in the Park. The CITY may use the Premises for up to ten (10) additional events or programs per year. Dates and times of such uses will be agreed upon by the CITY and MEDIFIT.

3.3 Consideration. MEDIFIT's performance under this Service Agreement shall serve as the sole consideration due to the CITY for MEDIFIT's right to operate the Premises.

3.4 CITY Residents. Participants seeking day use of the Premises who prove to MEDIFIT's satisfaction that they are residents of the CITY shall not be required to become members of MEDIFIT and shall be offered reduced resident rates.

ARTICLE 4 SERVICES

4.1 MEDIFIT shall render the management services listed below (the "Services") to the CITY for the on-site management and supervision of the Premises. The Services shall be performed in accordance with generally accepted standards in the fitness and wellness management industry and shall be performed in accordance with such requirements or restrictions as may be imposed by any government authority. MEDIFIT shall provide the Services as follows:

4.1.1 MEDIFIT has formulated an annual budget in accordance with financial targets for net operating income/surplus and meeting agreed upon benchmarks as set forth in Exhibit B attached hereto and incorporated herein. The budget is mutually agreed upon by the CITY and MEDIFIT.

4.1.2 MEDIFIT shall endeavor to meet or exceed the revenue goals as set forth in Exhibit B through the development and execution of effective marketing and retention plans.

4.1.3 MEDFIT shall provide learn to swim classes, open swim and other programs at affordable resident rates approved by the City.

4.1.4 MEDIFIT shall endeavor to meet or exceed budgeted net operating income/surplus goals as set forth in Exhibit B. Financial results will be monitored by and reviewed with the CITY on a monthly, quarterly and annual basis.

4.1.5 MEDIFIT shall provide quarterly reports to the City denoting National City participant numbers, total participant numbers, events and programs coordinated, total use by third parties, such as athletic teams, and any other pertinent statistics.

4.1.6 MEDIFIT shall recruit, hire and employ, as employees of MEDIFIT, all persons who will work at, or provide services to the Premises, managed by MEDIFIT in furtherance of the CITY operations (all such persons being referred to herein, collectively as "Managed Personnel"). Salaries and other expenses of Managed Personnel will be charged to CITY as an operating expense only to the extent such Managed Personnel are actually employees of MEDIFIT.

Both parties hereto in the performance of this Service Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither MEDIFIT nor, to MediFit's knowledge, MEDIFIT'S employees are employees of the CITY, and are not entitled to any of the rights, benefits, or privileges of the CITY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Service Agreement contemplates the personal services of MEDIFIT and MEDIFIT'S employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Service Agreement was, and is, the professional reputation and competence of MEDIFIT and its employees. Neither this Agreement nor any interest herein may be assigned by MEDIFIT without the prior written consent of the CITY. Nothing herein contained is intended to prevent MEDIFIT from employing or hiring as many employees as MEDIFIT may deem necessary for the proper and efficient performance of this Service Agreement. All agreements by MEDIFIT with third parties shall require the third party to adhere to the applicable terms of this Service Agreement.

4.1.7 MEDIFIT will manage personnel, facilities and programs/services in a manner consistent with the mission and values of the CITY. MEDIFIT will provide personnel as it deems reasonably necessary to perform the Services set forth in this Service Agreement. Personnel will be trained by MEDIFIT to properly perform the Services. MEDIFIT will present the CITY with General Manager candidates for review prior to hiring. The CITY will have the right to disapprove of the General Management candidates.

4.1.8 MEDIFIT will establish and implement policies and procedures designed to operate the Premises in a manner that promotes safety, customer service and financial accountability.

4.1.9 MEDIFIT will work closely with the CITY and the Community Services Department in designing and implementing effective and low cost program marketing campaigns, including community outreach to find programming opportunities. MEDIFIT will develop and launch outdoor fitness and program initiatives.

4.1.9.1 Use by Others. MEDIFIT may allow use of the Premises to other groups or organizations such as athletic teams/clubs. Any third party group users such as athletic teams/clubs shall be required to obtain a facility use permit from the CITY, and shall pay fees to the CITY for their use of the Premises.

4.1.10 MEDIFIT will develop and enhance measurement and analytics capabilities to help optimize revenue.

4.1.11 MEDIFIT will assist the CITY with a needs assessment for the Premises, which includes, but is not limited to, providing analysis and recommendations to improve operations and collecting input from the community through survey's and community meetings.

ARTICLE 5 EQUIPMENT

5.1 The CITY will be solely responsible for providing and equipping the Premises (including, without limitation, Automatic External Defibrillators) so that the Services may be rendered by MEDIFIT in accordance with this Service Agreement and in compliance with all applicable rules and regulations relating to the Premises and the Services. The CITY shall provide such items as office furniture and equipment, telephones, computers and software for the Premises. The CITY will also be responsible for purchasing or leasing all aquatic related exercise equipment and safety and first aid equipment necessary to operate the Premises as reasonably requested by MEDIFIT. The CITY also agrees to, at its sole expense, maintain such equipment to the best of their ability. The CITY will consider the nature and priority of the maintenance and available funding to determine if and when such repairs and maintenance will be completed.

5.2 MEDFIT shall, provide general administrative supplies and marketing materials necessary for the operation of the Premises at the City's sole cost and expense. The City shall pay for such supplies and materials within thirty (30) days of receipt of MEDFIT's invoice therefor. MEDFIT shall prepare and distribute marketing materials and CITY shall assist with the distribution of marketing materials.

ARTICLE 6 UTILITIES

6.1 Utility Services. The CITY shall be responsible for maintaining utility services to the Premises, and shall provide and pay for all utilities or services necessary for its use and operation of the Premises during the Term, including but not limited to gas, water, electricity, trash, sewer charges and telephone. The CITY shall pay directly to the applicable utility company such charges, and MEDFIT shall have no obligation to pay for such utility services.

ARTICLE 7 REPAIRS; MAINTENANCE

7.1 CITY Repair and Maintenance Obligations. The CITY shall, at its own cost and expense, repair, maintain in good and tenantable condition, ordinary wear and tear excepted, and replace, as necessary, the Premises. The CITY is responsible for all repair and maintenance including but not limited to, landscape maintenance, janitorial maintenance and facility maintenance. The CITY shall work with MEDFIT to maintain public safety, hygiene and fire safety of the Premises. The CITY shall consider the nature and priority of the work and available funding to determine if and when such repairs and maintenance will be completed.

7.1.1 Landscape Maintenance. The CITY is responsible for all outdoor cleaning and landscape maintenance at the Premises.

7.1.2 Janitorial Maintenance. The CITY is responsible for janitorial maintenance at the Premises, including but not limited to, routine cleaning of office, lobby, restrooms and locker rooms which includes waste removal, window cleaning, sweeping and mopping floors, and dusting and wiping counters and surfaces. The CITY is responsible for stocking janitorial items such as toiletries and cleaning supplies. The CITY has sole discretion on the frequency of cleaning and amount of janitorial items stocked.

7.1.3 Facility Maintenance. The CITY is responsible for all facility maintenance, including but not limited to, electrical, lighting, plumbing, pool chemicals, paint, flooring, HVAC systems and heat and air conditioning.

7.1.4 Information Technology. The CITY is responsible for providing internet access, telephones and support services.

7.2 MEDFIT Repair and Maintenance Obligations. MEDFIT shall operate the Premises in a manner that promotes the safety and security of the public while MEDFIT personnel is on the Premises. Safety and security issues must be reported to the designated CITY contact promptly

and MEDIFIT personnel will endeavor to protect the safety and security of the public until the CITY can address the safety and/or security issue.

Except for normal wear and tear occurring in the ordinary course of business, MEDIFIT agrees to repair or replace any damage or injury done to the Premises, or Personal Property, or any part thereof, caused by MEDIFIT or MEDIFIT's agents, employees or invitees, at MEDIFIT's own cost and expense. If MEDIFIT fails to make such repairs or replacements promptly, CITY may, at its option, make such repairs or replacements, and MEDIFIT shall repay the cost thereof to the CITY within ten (10) days of written demand. However, for any repair work, costing over Five Hundred and no/100 Dollars (\$500.00) to be performed by MEDIFIT or MEDIFIT's agents, MEDIFIT shall not perform such repair work without the CITY's prior written consent. Any repairs or replacements in or to the Premises, other than repair work in emergency situations, which would require an expenditure exceeding Five Thousand and no/100 Dollars (\$5,000.00) and which constitute a "public project" under Section 20161 of the California Public Contract Code, shall be contracted for/by CITY and let to the lowest responsible bidder after notice.

7.3 CITY Right to Inspect. MEDIFIT shall permit the CITY to enter the Premises at all times to inspect the Premises, provided, however, that such entry shall not unreasonably interfere with MEDIFIT's operation of the Premises. Nothing contained in this Article 7, however, shall be construed as creating any duty on the part of the CITY to do any work which, under any provision of this Agreement, MEDIFIT may be required to do.

7.4 Prevailing Wages. MEDIFIT shall, pay prevailing wages if required by law for work performed on the Premises.

ARTICLE 8 FEES AND PAYMENT TERMS

8.1 Fees. The CITY shall pay MEDIFIT a monthly base management fee, actual payroll and staffing expenses and marketing and administrative costs as set forth in this Article 8.1 and Exhibit B.

8.1.1 Base Management Fee. As compensation for the Services, the CITY shall pay MEDIFIT a monthly base management fee (the "Base Management Fee") for each month beginning November 4, 2015 (prorated for any partial months at the beginning or end of the Term) in the amount of \$5,000 per month throughout the Term and the Base Management Fee shall be invoiced monthly. The Base Management Fee shall be due thirty (30) days after receipt of invoice therefor.

8.1.2 Payroll and Staffing Expenses. MEDIFIT shall recruit, hire and employ, as employees of MEDIFIT, all persons who will work at, or provide services at the Premises. Monthly payroll and staffing expenses are estimated as set forth in Exhibit B and will be charged to the CITY as an operating expense only to the extent such Managed Personnel are actually employees of MEDIFIT.

8.1.3 Marketing and Administrative Costs. MEDIFIT shall, provide such items as general administrative supplies and marketing materials necessary for the operation of the Premises. Monthly marketing and administrative costs are estimated as set forth in Exhibit B and the cost of the marketing materials and the administrative supplies shall be paid for by the City within thirty (30) days after receipt of an invoice setting forth the amount of such costs.

8.2 Payment Terms. The CITY shall pay MEDIFIT ninety percent (90%) of the estimated monthly operating expenses as set forth in Exhibit B on or before the first (1st) day of every month. At the end of the month MEDIFIT shall submit an invoice for the remaining balance due.

8.2.1 90% Monthly Payment. Commencing on December 1, 2015 the CITY will pay to MEDIFIT, on or before the first (1st) day of every month, an amount equal to ninety percent (90%) of MEDIFIT's budgeted monthly Base Management Fee, estimated payroll and staffing expenses, and estimated marketing and administrative costs, as set forth in Exhibit B. The initial payment shall be payable on the first (1st) day of December 2015. The remainder of the actual monthly payment shall be paid as set forth in 8.1.3.

8.1.3 Monthly Balance Due Payment. MEDIFIT shall submit an invoice for the remaining balance due each month in which Services are rendered. To the extent applicable, each invoice will reflect the monthly Base Management Fee, actual payroll and staffing expenses and actual marketing and administrative costs together with all amounts payable to MEDIFIT as set forth in Exhibit B, less any payments or revenue received during the month in which Services are rendered. Upon request, MEDIFIT shall submit to the CITY supporting documentation for payroll and staffing expenses and marketing and administrative costs. Supporting documentation may be, but is not limited to, copies of payroll and receipts for purchases.

8.3 Not to Exceed Amount. MEDIFIT agrees that the combined base management fee, payroll and staffing fees, and marketing and administrative costs, shall not exceed a total of \$650,000 over the Term of this Agreement. Should the parties agree to extend the Service Agreement, Article 8.3 must be negotiated and mutually agreed upon.

8.4 Third Party Rental Groups. The CITY will separately collect and retain rental revenue from third party rental groups. MEDIFIT shall allow all CITY approved third party rental groups to use the Premises and shall give priority use to CITY requests for either third party rental groups or CITY use for events.

8.5 Revenue Collected by MEDIFIT. Revenue collected by MediFit for its programming of open swim, learn to swim, and exercise classes will be collected and handled by MEDIFIT. MEDIFIT shall submit daily cash receipts to the CITY each month with the monthly balance due invoice.

8.6 Notwithstanding any other provision contained herein, in the event that CITY's outstanding balance for fees and charges to MEDIFIT is greater than ninety (90) days past due, MEDIFIT will have the right to immediately and unilaterally terminate this Agreement.

8.7 The CITY shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by the CITY hereunder.

ARTICLE 9 TAXES

9.1 Definition. "Taxes" shall mean all taxes, governmental bonds, special assessments, charges, or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal income tax, or any real or personal property tax, (ii) increases in taxes attributable to MEDIFIT's operation of the Premises, or (iii) any taxes which are essentially payments to a governmental agency, other than the CITY, for the right to make improvements to the Premises. MEDIFIT recognizes and agrees that this agreement may create a possessory interest subject to property taxation and that MEDIFIT may be subject to the payment of taxes levied on such interest. MEDIFIT agrees to pay, before delinquency, all taxes, assessments and fees assessed or levied upon the Premises.

9.2 Responsibility for Payment of Taxes. The CITY shall not be obligated to pay any Taxes accruing against MEDIFIT.

ARTICLE 10 INDEMNIFICATION AND INSURANCE

10.1 MEDIFIT's Indemnity. MEDIFIT agrees to defend, indemnify and hold harmless the City of National City, its officers and employees, against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suites, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the MEDIFIT'S performance or other obligations under this Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the CITY, its agents, officers, or employees. The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Operating Agreement for any alleged or actual omission, act, or negligence under this Operating Agreement that occurred during the term of this Operating Agreement.

10.2 Insurance. MEDIFIT, at its sole cost and expense, shall purchase and maintain, and shall require its subcontractors, when applicable, to purchase and maintain throughout the term of this Service Agreement, the following checked insurance policies:

A. ☒ If checked, **Professional Liability** Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto"). The policy shall name the CITY and its officers, agents and

employees as additional insureds, and a separate additional insured endorsement shall be provided.

C. **Commercial General Liability Insurance**, with minimum limits of \$5,000,000 per occurrence and \$10,000,000 aggregate, covering all bodily injury and property damage arising out of its operations under this Service Agreement. The policy shall name the CITY and its officers, agents and employees as additional insureds, and a separate additional insured endorsement shall be provided. The general aggregate limit must apply solely to this "project" or "location".

D. **Workers' Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of MEDIFIT'S employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the City. Said endorsement shall be provided prior to commencement of work under this Service Agreement.

If MEDIFIT has no employees subject to the California Workers' Compensation and Labor laws, MEDIFIT shall execute a Declaration to that effect. Said Declaration shall be provided to MEDIFIT by CITY.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the MEDIFIT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Service Agreement. In addition, the "retro" date must be on or before the date of this Service Agreement.

G. Insurance shall be written with only California admitted companies that hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the CITY'S Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

H. This Service Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY'S Risk Manager. If the MEDIFIT does not keep all of such insurance policies in full force and effect at all times during the terms of this Service Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Service Agreement and terminate the Service Agreement as provided herein.

I. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the CITY.

ARTICLE 11 TERMINATION

11.1 This Service Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon 60-day's written notice to MEDIFIT. During said 60-day period MEDIFIT shall perform all services in accordance with this Service Agreement. This Service Agreement may also be terminated immediately by the CITY for cause

in the event of a material breach of this Service Agreement, misrepresentation by MEDIFIT in connection with the formation of this Service Agreement or the performance of services, or the failure to perform services as directed by the CITY. Termination with or without cause shall be effected by delivery of written Notice of Termination to MEDIFIT as provided for herein. The CITY further reserves the right to immediately terminate this Service Agreement upon: (1) the filing of a petition in bankruptcy affecting MEDIFIT; (2) a reorganization of MEDIFIT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of MEDIFIT.

11.2 This Service Agreement may be terminated by MEDIFIT by notice to the CITY, at any time if (1) the CITY becomes insolvent or admits its inability to pay its debts generally as they become due, (2) the CITY becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven (7) days or is not discussed or vacated within forty-five (45) days after filing, (3) the CITY is dissolved or liquidated or takes any action for such purpose, (4) the CITY makes a general assignment for the benefit of creditors, or (5) the CITY has a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

11.3 Upon termination of this Agreement, within thirty (30) days of the termination MEDIFIT shall return to the CITY all property of the CITY, and MEDIFIT shall remove all property of MEDIFIT at MEDIFIT's expense.

ARTICLE 12 HAZARDOUS MATERIALS

12.1 Hazardous Materials Laws-Definition. As used in this Article, the term "Hazardous Materials' Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C., sec.9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C., sec.1801 et seq.), and the Resource Conservation and Recovery Act of 1986, as amended (42 U.S.C., sec. 6901 et seq.), relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, soil and ground water conditions or other similar substances or conditions.

12.2 Hazardous Materials - Definition. As used in this Section the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that:

12.2.1 is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials;

12.2.2 is controlled, referred to, designated in or governed by any Hazardous Materials Laws;

12.2.3 gives rise to any reporting, notice or publication requirements under any Hazardous Materials Laws, or

12.2.4 is any other material or substance giving rise to any liability, responsibility or duty upon the CITY or MEDIFIT with respect to any third person under any Hazardous Materials Law.

12.3 **MEDIFIT Representations and Warranties.** MEDIFIT represents and warrants that, during the Term or any extension thereof, MEDIFIT shall comply with the following provisions of this Section unless otherwise specifically approved in writing by CITY, subject to the terms and conditions of MEDIFIT maintenance obligations provided elsewhere in this Service Agreement:

12.3.1 MEDIFIT shall not cause or authorize any Hazardous Materials to be brought, kept or used in or about the Premises by MEDIFIT, its agents, employees, assigns, contractors or invitees, except as required by MEDIFIT's permitted use of the Premises in the normal course of operations;

12.3.2 Any handling, transportation, storage, treatment or usage by MEDIFIT of Hazardous Materials that is to occur on the Premises following the Commencement Date shall be in compliance with all applicable Hazardous Materials Laws;

12.3.3 Any leaks, spills, release, discharge, emission or disposal of Hazardous Materials which may occur on the Premises following the Commencement Date shall be promptly reported in writing to CITY;

12.3.4 No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by MEDIFIT in the Premises;

12.3.5 No underground improvements, including but not limited to treatment or storage tanks, or water, gas or oil wells shall be located by MEDIFIT on the Premises without CITY's prior written consent;

12.3.6 MEDIFIT shall promptly supply the CITY with copies of all notices, reports, correspondence, and submissions made by MEDIFIT to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials' Laws with respect to the Premises; and

12.3.7 MEDIFIT shall promptly notify the CITY of any liens threatened or attached against the Premises pursuant to any Hazardous Materials' Law.

ARTICLE 13 ASSIGNMENT

12

Service Agreement
Between City and MediFit
9-4-15

13.1 CITY's Consent Required. MEDIFIT shall not voluntarily or involuntarily assign or otherwise transfer all or any portion of its rights and duties under this Agreement without the CITY's prior written consent. Any attempted assignment or transfer without the CITY's prior written consent shall be void.

ARTICLE 14 DEFAULTS BY MEDIFIT; REMEDIES

14.1 Events of Default; Remedies. If MEDIFIT neglects or fails to perform or observe any of its obligations under the terms, covenants, or conditions contained in this Service Agreement within thirty (30) days after written notice of default or, when more than thirty (30) days shall be required because of the nature of the default, if MEDIFIT fails to cure such default after written notice thereof, then MEDIFIT shall be liable to the CITY for any and all damages sustained by the CITY as a result of MEDIFIT breach and the CITY may terminate this Service Agreement.

ARTICLE 15 DEFAULTS BY CITY; REMEDIES

15.1 Events of Default; Remedies. If the CITY neglects or fails to perform or observe any of its obligations under the terms, covenants, or conditions contained in this Service Agreement within thirty (30) days after written notice of default or, when more than thirty (30) days shall be required because of the nature of the default, if the CITY fails to cure such default after written notice thereof, then the CITY shall be liable to MEDIFIT for any and all damages sustained by MEDIFIT as a result of the CITY's breach and MEDIFIT may terminate this Service Agreement.

ARTICLE 16 DAMAGE OR DESTRUCTION

17.1 CITY Duty to Repair Casualty. Except as provided in this article and subject to the terms and conditions of MEDIFIT maintenance obligations provided elsewhere in this Service Agreement, should the Premises be damaged by fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature (Casualty), the CITY, at the CITY's sole discretion may repair any damages to the Premises, and may repair, restore and replace any such damaged or destroyed Fixtures, Improvements or Personal Property. In the event the City decides not to repair any damage, and such damage renders the Premises inoperable, the City may terminate this agreement as provided in Article 11 (Termination).

17.2 No Abatement. In the event of reconstruction, replacement or repair, MEDIFIT shall continue its operations on the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and in continuing compliance with applicable laws and regulations. MEDIFIT shall not be entitled to any compensation or damages from the CITY for loss of use of the whole or any part of the Premises, MEDIFIT's Personal Property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

17.3 Major Destruction. Notwithstanding any of the foregoing provisions of this Article to the contrary, if, at any time after the Commencement Date, (i) the Improvements are damaged or destroyed to the extent of more than twenty-five percent (25%) of their replacement cost, or (ii) the damage is such that the Improvements cannot be repaired and restored within one hundred and eighty (180) days after the Casualty, then MEDIFIT shall have the right to terminate this Service Agreement upon thirty (30) days' prior written notice to CITY.

ARTICLE 18 EMINENT DOMAIN

18.1 Condemnation. If all of the Premises is taken under eminent domain proceedings by a party other than CITY, or, if less than all of the Premises is taken under such proceeding and the part taken substantially impairs the ability of MEDIFIT to use the remainder of the Premises for the purposes permitted by this Service Agreement, then MEDIFIT may terminate this Service Agreement as of the date that the condemning authority takes possession by delivery of written notice of such election within twenty (20) days after MEDIFIT has been notified of the taking or, in the absence thereof, within twenty (20) days after the condemning authority shall have taken possession.

18.2 Continuation of Service Agreement After Condemnation. If this Service Agreement is not terminated by MEDIFIT, it shall remain in full force and effect as to any portion of the Premises remaining, and this Service Agreement will end as of the date possession of the part taken by the public entity as to the part of the Premises that is taken.

18.3 Award. All monies awarded in any condemnation shall belong to the CITY. The CITY shall have no liability to MEDIFIT for any award not provided by the condemning authority.

ARTICLE 19 SALE OR MORTGAGE BY CITY

19.1 Sale or Mortgage. Subject to MEDIFIT rights under this Service Agreement, CITY may, pursuant to existing and subsequently enacted CITY ordinances and State laws, at any time and without the consent of MEDIFIT, sell, purchase, exchange, transfer, assign, lease, encumber or convey CITY interest in whole or in part, in the Park (collectively referred to in this Article as a "Sale"). CITY shall provide to MEDIFIT written notice of CITY intent to a Sale pursuant to this Article at least ninety (90) days prior to said proposed transfer.

19.2 Release on Sale. From and after a Sale of the CITY's entire interest in the Premises, upon payment of all amounts due or owing to MediFit, the CITY shall be released from all liability to MEDIFIT and MEDIFIT successors and assigns arising from this Agreement because of any act, occurrence or omission of the CITY occurring after such Sale.

ARTICLE 20 SUBORDINATION; ATTORNMEN

20.1 **Subordination.** Without the necessity of any other document being executed and delivered by MEDIFIT, this Service Agreement is and shall be junior, subject and subordinate to any existing or future permits or approvals issued by the United States of America or any local, State or federal agency affecting the control or operation of the Premises; MEDIFIT shall be bound by the terms and provisions of such permits or approvals. In addition, this Service Agreement is and shall also be subject, subordinate and junior to all mortgages, deeds of trust, and other security instruments of any kind covering the Premises, or any portion thereof, as of the Commencement Date of this Service Agreement.

ARTICLE 21 CITY'S RIGHT OF ACCESS

21.1 **Right of Entry.** The CITY, its agents, employees, and contractors may enter the Premises at any time in response to an emergency, and, at reasonable hours to (a) inspect the Premises and Improvements; (b) determine whether MEDIFIT is complying with its obligations in this Service Agreement (including its obligations with respect to compliance with Hazardous Materials Laws); (c) post notices of non-responsibility or similar notices; (d) inspect the progress of construction of any improvement; or (e) make repairs that this Service Agreement requires or allows the CITY to make, or make repairs to any adjoining space or utility services, or make repairs, alterations, or improvements to any other portion of the Premises; provided, however, that all work will be done as promptly as reasonably possible and so as to cause as little interference to MEDIFIT as reasonably possible.

ARTICLE 22 NOTICES

22.1 **Notices.** Whenever in this Service Agreement it shall be required or permitted that notice or demand be given or served by either party to this Service Agreement to or on the other, such notice or demand shall be in writing, mailed or personally delivered to the other party at the addresses specified below. Mailed notices shall be sent by United States Postal Service, postage prepaid and shall be deemed to have been given, delivered and received three (3) business days after the date such notice or other communication is posted by the United States Postal Service. All other such notices or other communications shall be deemed given, delivered and received upon actual receipt. Either party may, by written notice delivered pursuant to this provision, at any time designate a different address to which notices shall be sent.

CITY: City of National City
Attention: Leslie Deese, City Manager
City of National City
1243 National City Boulevard
National City, CA 91950-4301

MEDIFIT: MEDIFIT Community Services LLC
Attention: Dan Burns, Chief Executive Officer and
V. Carl Walker, General Council
25 Hanover Road

Building A, Suite 104
Florham Park, New Jersey 07932

ARTICLE 23 NONDISCRIMINATION

23.1 Nondiscrimination. MEDIFIT hereby covenants by and for itself, its successors, assigns and all persons claiming under or through it, that this Service Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against, or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the use, operation, or enjoyment of the Premises.

ARTICLE 24 RECORDS, ACCOUNTS AND AUDITS

24.1 MEDIFIT Duty to Keep Records. MEDIFIT shall, at all times during the Term, and for a period of five (5) years following expiration or earlier termination of this Service Agreement, keep or cause to be kept, true and complete books, records and accounts of all financial transactions in the operation of all business activities, of whatever nature, conducted pursuant to the rights granted by this Agreement. The books, records and accounts must be supported by source documents such as sales slips, cash register tapes, purchase invoices or other pertinent documents.

24.2 CITY's Right to Audit. The CITY shall have the right at any reasonable times, upon reasonable notice, to examine and perform audits of MEDIFIT's records pertaining to its operations on the Premises. The cost of said audits shall be borne by the CITY; however, MEDIFIT shall provide to the CITY at MEDIFIT's expense, necessary data to enable CITY to fully comply with each and every requirement of the State of California or by the United States of America for information or reports relating to this Service Agreement and to MEDIFIT's use of the Premises.

ARTICLE 25 GENERAL PROVISIONS

25.1 Authority. MEDIFIT represents and warrants that it has full power and authority to execute and fully perform its obligations under this Service Agreement pursuant to its governing instruments, without the need for any further action, and that the person executing this Service Agreement on behalf of MEDIFIT is the duly designated agent of MEDIFIT and is authorized to do so.

25.2 Captions. The captions and headings appearing in this Service Agreement are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Service Agreement.

25.3 CITY Approval. Except where stated herein to the contrary, the phrases "CITY approval," and "CITY written approval" or such similar phrases shall mean approval of the City Manager of National City or said person's representative as authorized by said person in writing.

25.4 Compliance with Laws. MEDIFIT, shall procure, maintain and hold available for the CITY's inspection, any governmental license or permit required for the proper and lawful conduct of MEDIFIT operation of the Premises. MediFit shall invoice the CITY for expenses related to any governmental license or permit required for the proper and lawful conduct of MEDIFIT operation of the Premises. Except, the expense of the environmental health permit to operate a pool issued by the County of San Diego, Department of Environmental Health shall be paid by the CITY to the County of San Diego. MEDIFIT shall not use the Premises for any use or purpose in violation of the laws of the United States of America, or the laws, ordinances, regulations, orders or requirements of the State of California, the County of San Diego, the CITY, or of other lawful authorities. MEDIFIT shall, at its expense, comply promptly with all applicable statutes, laws, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the Term (Laws or Orders), regulating the use by MEDIFIT of the Premises.

25.5 Cumulative Remedies. In the event of a default under this Service Agreement, each party's remedies shall be limited to those remedies set forth in this Service Agreement; any such remedies are cumulative and not exclusive of any other remedies under this Service Agreement to which the non-defaulting party may be entitled.

25.6 Entire Agreement. This Service Agreement, together with all addenda, exhibits and riders attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

25.7 Exhibits. All exhibits referred to herein are attached hereto and incorporated by reference:

Exhibit A: Depiction of Las Palmas Pool
Exhibit B: Budget

25.8 Force Majeure. If either party is prevented or delayed from performing any act or discharging any obligation hereunder, because of any and all causes beyond either party's reasonable control, including unusual delays in deliveries, abnormally adverse weather conditions, unavoidable casualties, strikes, labor disputes, inability to obtain labor, materials or equipment, acts of God, governmental restrictions, regulations or controls, any hostile government actions, civil commotion and fire or other casualty, legal actions attacking the validity of this Service Agreement or the CITY or MEDIFIT operations of the Premises, or any other casualties beyond the reasonable control of either party ("Force Majeure"), performance of such act shall be excused for the period of such delay, and the period for performance of such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include any bankruptcy, insolvency, or other financial inability on the part of either party hereto.

25.9 Governing Law. This Service Agreement shall be governed, construed and enforced in accordance with the laws of the State of California.

25.10 Independent Contractor. MEDIFIT acknowledges that it is an independent contractor; that it alone retains control of the manner of conducting its activities in furtherance of this Service Agreement; and that it, as well as any persons, contractors or agents it may employ, are not employees of CITY for any purpose.

25.11 Interpretation. The provisions of this Service Agreement shall be liberally construed to effectuate its purpose. The language of all parts of this Service Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either party.

25.13 Modification. The provisions of this Service Agreement may not be modified, except by a written amendment signed by both parties.

25.14 Partial Invalidity. If any provision of this Service Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Service Agreement shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.

25.15 Successors & Assigns. This Service Agreement shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided herein. MEDIFIT shall not assign this Service Agreement to any other party unless approved in writing by CITY.

25.16 Time of Essence. Time is of the essence of each and every provision of this Service Agreement.

25.17 Waiver. No provision of this Service Agreement or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed.

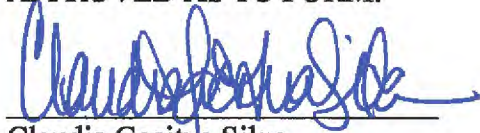
IN WITNESS WHEREOF, the CITY and MEDIFIT have duly executed this Service Agreement as of the day and year first above written.

**CITY OF NATIONAL CITY
(CITY)**

By: _____


Ron Morrison, Mayor

APPROVED AS TO FORM:


Claudia Gacitua Silva
City Attorney

**MEDIFIT COMMUNITY SERVICES LLC
(MEDIFIT)**

(Corporation – signatures of two corporate officers required.)

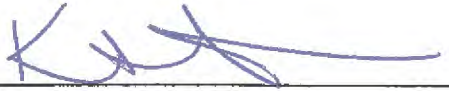
By: _____


(Name)

Bill Bourque
(Print)

President, Account Management & Field
Operations
(Title)

By: _____


(Name)

Kurt Atherton
(Print)

President Community Services
(Title)

**EXHIBIT A
DEPICTION OF THE PREMISES**



**EXHIBIT B
BUDGET**

	FY16 Totals	FY17 Totals	GRAND TOTAL
Expenses			
<i>Payroll and Staffing Expenses</i>			
Salary-Managers	\$ 33,000	\$ 66,000	\$ 99,000
Wages-Guards for Recreational Swim & Lessons*	\$ 37,850	\$ 76,330	\$ 114,180
Wages-Administrative staff for recreational swim/public access	\$ 8,116	\$ 8,724	\$ 16,840
Wages-Learn to Swim Classes/Lessons*	\$ 8,417	\$ 16,834	\$ 25,250
Wages-Courses/Certification/Clinics	\$ -	\$ -	\$ -
Wages-Guards for Sweetwater Unified High School District programs	\$ 14,714	\$ 35,448	\$ 50,162
Wages-Guards for Southwestern College programs	\$ 14,714	\$ 35,448	\$ 50,162
Wages-Aquatic Group Exercise Classes	\$ 4,890	\$ 13,008	\$ 17,898
Payroll Burden-26% of payroll	\$ 31,642	\$ 61,699	\$ 93,341
Sub-Total	\$ 153,343	\$ 313,491	\$ 466,834
<i>Marketing and Administrative Costs</i>			
Advertising & Marketing-Other	\$ 3,000	\$ 6,000	\$ 9,000
Dues & Membership	\$ -	\$ 200	\$ 200
Meeting Expense (mandatory monthly staff meetings)	\$ 1,225	\$ 2,450	\$ 3,675
Uniforms	\$ 500	\$ 500	\$ 1,000
Locker Room Supplies	\$ 3,000	\$ 6,000	\$ 9,000
Office Supplies & Expenses	\$ 900	\$ 1,800	\$ 2,700
Travel-Mileage Reimbursement/Parking/Tolls	\$ 350	\$ 350	\$ 700
Program Supplies & Expenses	\$ 1,500	\$ 2,400	\$ 3,900
Sub-Total	\$ 10,475	\$ 19,700	\$ 30,175
<i>Base Management Fee</i>	\$ 35,000	\$ 60,000	\$ 95,000
Total Expenses	\$ 198,818	\$ 393,191	\$ 592,009
Revenue			
Recreational Swim	\$ -	\$ -	\$ -
Learn to Swim Classes/Lessons	\$ -	\$ -	\$ -
Courses/Certification/Clinics	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ -

RESOLUTION NO. 2015 – 165

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE MAYOR TO EXECUTE A 20-MONTH SERVICE AGREEMENT
BETWEEN THE CITY OF NATIONAL CITY AND MEDIFIT COMMUNITY SERVICES, LLC,
TO PROVIDE AQUATIC SERVICES AT LAS PALMAS POOL IN AN AMOUNT NOT TO
EXCEED \$650,000; ESTABLISHING A GENERAL FUND COMMUNITY SERVICES
CONTRACT SERVICES APPROPRIATION OF \$200,000 FOR MEDIFIT MANAGEMENT
FEES AND OPERATING COSTS; INCREASING THE GENERAL FUND COMMUNITY
SERVICES BUILDING SERVICES INTERNAL CHARGES APPROPRIATION BY UP TO
\$144,300 TO ACCOUNT FOR GAS, ELECTRIC, WATER, AND CHEMICAL COSTS;
AND THE ESTABLISHING A GENERAL FUND REVENUE BUDGET
TO ACCOUNT FOR USER FEES IN THE AMOUNT OF \$112,500**

**WHEREAS, the City of National City owns the real property commonly known as
Las Palmas Pool, located at 1800 East 22nd Street, National City (the "Premises"); and**

**WHEREAS, MediFit is a privately-held fitness and wellness management and
consulting company and is in the business of designing, managing, and operating all aspects of
mixed use health, fitness and aquatics centers similar to Las Palmas Pool; and**

**WHEREAS, the City desires to enter into an Agreement with MediFit for the
operation the Las Palmas Pool with MediFit programs serving the local community; and**

**WHEREAS, pursuant to the Agreement the City will be responsible for repair and
maintenance of the Premises, which includes improvements, landscaping, janitorial, facility
maintenance, chemical maintenance, and information technology; and**

**WHEREAS, MediFit will be responsible for the operation of the Premises, which
includes, personnel, programming, events, and operating procedures and policies; and**

**WHEREAS, an appropriation of \$200,000 is necessary for this fiscal year to
cover MediFit's management fee and operating costs. The appropriation will be covered by a
General Fund fund balance where additional revenues would offset the cost to operate the pool;
and**

**WHEREAS, an increase to the Community Services Building Service internal
charges line item for up to \$144,300 is required for the cost of utilities and chemicals associated
with the operation of Las Palmas Pool, and an equal decrease to the General Fund and Library
Fund Building Services internal charges line items, making it a net zero increase to the General
Fund.**

**NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of
National City hereby authorizes the Mayor to execute a 20-month Service Agreement, with
MediFit Community Services, LLC, to provide aquatic services at Las Palmas Pool.**

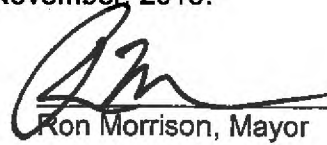
**BE IT FURTHER RESOLVED that the City Council authorizes the establishment of
a General Fund Community Services Contract Services appropriation of \$200,000.**

**BE IT FURTHER RESOLVED that the City Council authorizes an increase to the
General Fund Community Services Building Services internal charges appropriation by up to
\$144,300.**

Resolution No. 2015 – 165
Page Two

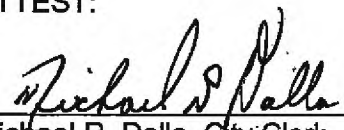
BE IT FURTHER RESOLVED that the City Council authorizes the establishment of a General Fund revenue budget to account for user fees of \$112,500.

PASSED and ADOPTED this 3rd day of November, 2015.



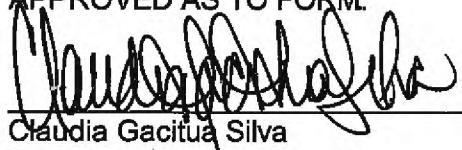
Ron Morrison, Mayor

ATTEST:



Michael R. Dalla, City Clerk

APPROVED AS TO FORM:



Claudia Gacitua Silva
City Attorney

Passed and adopted by the Council of the City of National City, California, on November 3, 2015 by the following vote, to-wit:

Ayes: Councilmembers Cano, Mendivil, Morrison, Rios, Sotelo-Solis.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON
Mayor of the City of National City, California

MICHAEL R. DALLA
City Clerk of the City of National City, California

By: _____
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2015-165 of the City of National City, California, passed and adopted by the Council of said City on November 3, 2015.



Michael R. Dalla
City Clerk of the City of National City, California

By: _____
Deputy



**FIRST AMENDMENT TO THE SERVICE AGREEMENT
BY AND BETWEEN THE CITY OF NATIONAL CITY
AND MEDIFIT COMMUNITY SERVICES, LLC, D.B.A. EXOS**

This First Amendment ("Amendment") to the Service Agreement by and between the City of National City and MediFit Community Services, LLC ("Service Agreement"), is entered into this 7th day of December, 2016, by and between the City of National City (the "City") and MediFit Community Services, LLC, d.b.a. EXOS ("EXOS" or "MEDIFIT").

RECITALS

WHEREAS, the City and MEDIFIT, previously entered into the Service Agreement entitled "Service Agreement by and Between the City of National City and MediFit Community Services, LLC, for the Operation of Las Palmas Pool" dated November 4, 2015;

WHEREAS, in the Service Agreement the City engages MEDIFIT to operate the real property commonly known as Las Palmas Pool, located at 1800 E. 22nd Street, National City, California (the "Premises") to provide aquatic programs serving the local community;

WHEREAS, Article 1.1, Term, establishes the term of the Service Agreement as November 4, 2015 through June 30, 2017; and

WHEREAS, Article 1.2, Option to Extend Term, allows an extension of the Service Agreement upon mutual agreement of the parties no less than six (6) months prior to the end of the Term.

AMENDMENT TO SERVICE AGREEMENT

NOW THEREFORE, the City and EXOS agree as follows:

1. All references to MEDIFIT in the Service Agreement shall be changed to EXOS.
2. The City and EXOS hereby delete Exhibit B to the Service Agreement in its entirety and replace it with the attached Exhibit B which revises the monthly base management fee, actual payroll and staffing expenses, and marketing and administrative costs.
3. Extension of Term. In accordance with Section 1.2 of the Service Agreement, the City, MEDIFIT and EXOS hereby agree to extend the Term of the Service Agreement through June 30, 2018.

4. Article 3.1.2, Permitted Uses, is hereby amended by adding the following as the last sentence thereof: "Article 3.1.2 is also being fulfilled by providing learn to swim classes for third grade students in the National School District."

5. Article 3.2, Hours of Service, is hereby amended and restated as follows:

"EXOS may provide programming between the hours of 5:00 a.m. and 10:00 p.m. seven (7) days a week. Hours of service may be changed upon mutual agreement."

6. Article 4.1.9.2 is hereby added to the Service Agreement as follows:

"Social Media. EXOS shall be responsible for social media marketing for the Premises and will adhere to the City's Social Media Policy."

7. Article 8.1.1, Base Management Fee, is hereby amended by deleting the last sentence thereof and adding in its place the following:

"Notwithstanding anything to the contrary in the foregoing, beginning July 1, 2017, the City shall pay EXOS a monthly base management fee (the "Base Management Fee") for each month in the amount of \$5,325 per month, excluding 5 (five) months during learn to swim classes for the National School District, when the monthly Base Management Fee shall be \$6,160. The Base Management Fee shall be invoiced monthly and shall be due thirty (30) days after receipt of invoice therefor."

8. Article 8.2, Payment Terms, is hereby amended and restated as follows:

"At the end of each month EXOS shall submit to the City an invoice for monthly operating expenses as set forth in Exhibit B."

9. Article 8.2.1 is hereby deleted in its entirety and replaced with:

"8.2.1 [Reserved.]"

10. Article 8.1.3 is hereby deleted in its entirety and replaced with:

"8.2.2 Monthly Balance Due Payment. EXOS shall submit an invoice each month in which Services are rendered. To the extent applicable, each invoice will reflect the monthly Base Management Fee, actual payroll and staffing expenses, and actual marketing and administrative costs together with all amounts payable to EXOS, as set forth in Exhibit "B". Upon request, EXOS shall submit to the City supporting documentation for payroll and staffing expenses and marketing and administrative costs. Supporting documentation may be, but is not limited to, copies of payroll and receipts for purchases."

11. Article 8.3, Not To Exceed Amount, is hereby amended and restated as follows:

“EXOS agrees that the combined base management fee, payroll and staffing fees, and marketing and administrative costs, shall not exceed a total of \$464,000 over the Term of this Agreement. Should the parties agree to extend the Service Agreement, Article 8.3 must be negotiated and mutually agreed upon.”

12. Article 8.5, Revenue Collected by EXOS, is hereby amended and restated as follows:

“Revenue collected by EXOS for its programming of open swim, learn to swim, and exercise classes will be collected and handled by EXOS. EXOS shall submit cash and credit card receipts to the City two (2) times per week or at any time the amount of cash at the Premises exceeds \$500.00.”

13. Article 10.1 EXOS Indemnity, is hereby amended and restated as follows:

“EXOS agrees to defend, indemnify and hold harmless the City of National City, its officers, employees, and volunteers against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys’ fees, and defense costs, of any kind or nature, including workers’ compensation claims, of or by anyone whomsoever, resulting from or arising out of EXOS’ performance or other obligations under this Service Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the City, its agents, officers, employees or volunteers. The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Service Agreement for any alleged or actual omission, act, or negligence under this Service Agreement that occurred during the term of this Service Agreement.”

14. Article 22.1, Notices, is hereby amended and restated as follows:

“Whenever in this Service Agreement it shall be required or permitted that notice or demand be given or served by either party to this Service Agreement to or on the other, such notice or demand shall be in writing, mailed or personally delivered to the other party at the addresses specified below. Mailed notices shall be sent by United States Postal Service, postage prepaid and shall be deemed to have been given, delivered and received three (3) business days after the date such notice or other communication is posted by the United States Postal Service. All other such notices or other communications shall be deemed given, delivered and received upon actual receipt. Either party may, by written notice delivered pursuant to this

provision, at any time designate a different address to which notices shall be sent.

CITY: Stacey Stevenson, Deputy City Manager
City of National City
140 East 12th Street
National City, CA 91950-4301

EXOS: Medifit Community Services, LLC
Attention: Dan Burns, Chief Executive Officer
V. Carl Walker, General Council
25 Hanover Road
Building A, Suite 104
Florham Park, New Jersey 07932”

15. Article 25.3, City Approval, is hereby amended and restated as follows:

“Except where stated herein to the contrary, the phrases “CITY approval,” and “CITY written approval” or such similar phrases shall mean approval of the City Manager or Deputy City Manager of National City or said person’s representative as authorized by said person in writing.”

16. Article 25.18 is hereby added to the Service Agreement as follows:

Alcohol. Consumption of alcohol on the Premises is not permitted.

17. Except as specifically amended by this Amendment, the parties agree that each and every term of the Service Agreement shall remain in full force and effect.

[Signature Page to Follow]

IN WITNESS THEREOF, the parties hereto have executed this First Amendment on the date and year first written above.

CITY OF NATIONAL CITY

By: _____
Ron Morrison
Mayor

Approved as to form:

By: _____
George H. Eiser, III
Interim City Attorney

**MEDIFIT COMMUNITY SERVICES, LLC,
d.b.a. EXOS**

By: _____
Bill Bourque, President
Account Management & Field Operations

By: _____
Kurt Atherton, President
Community Services

EXHIBIT B BUDGET

Fiscal Year 2018

<i>Payroll and Staffing Expenses</i>	
Salary-Managers	\$ 69,300
Wages-Guards for Recreational Swim, Swim classes and National School District Swim Classes	\$ 87,573
Wages-Administrative staff for Recreational Swim, Public Access and National School District Swim Classes	\$ 11,168
Wages-Instructors for Swim Classes and National School District Swim Classes	\$ 28,217
Wages-Courses/Certification/Clinics	\$ 1,200
Wages-Guards for Sweetwater Unified High School District programs	\$ 35,448
Wages-Guards for Southwestern College programs	\$ 17,724
Wages-Aquatic Group Exercise Classes	\$ 13,008
Payroll Burden-26% of payroll	\$ 64,703
Sub-Total	\$ 328,341
<i>Marketing and Administrative Costs</i>	
Advertising and Marketing	\$ 6,000
Dues & Membership	\$ 2,400
Meeting Expenses	\$ 2,450
Uniforms	\$ 1,000
Locker Room Supplies	\$ 6,000
Office Supplies	\$ 1,800
Travel and Mileage Reimbursement	\$ 980
Program Supplies & Expenses	\$ 4,400
Sub-Total	\$ 25,030
<i>Base Management Fee</i>	
Monthly Fee for Service	\$ 68,075
Sub-Total	\$ 68,075
Total Expenses	\$ 421,446

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City, 1) awarding a contract to Palm Engineering Construction Company, Inc. in the not-to-exceed amount of \$983,756.49 for the Division Street Traffic Calming Project, CIP No. 16-09; 2) authorizing a

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 13, 2016

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City, 1) awarding a contract to Palm Engineering Construction Company, Inc. in the not-to-exceed amount of \$983,756.49 for the Division Street Traffic Calming Project, CIP No. 16-09; 2) authorizing a 15% contingency in the amount of \$147,563.47 for any unforeseen changes; and 3) authorizing the Mayor to execute the contract.

PREPARED BY: Jose Lopez, Junior Engineer - Civil

PHONE: 619-336-4312

DEPARTMENT: Engineering/Public Works

APPROVED BY: _____

EXPLANATION:

See attached.



FINANCIAL STATEMENT:

ACCOUNT NO.

Contract Award (funds available through prior City Council appropriations)
296-409-500-598-6571 (Division Street Traffic Calming): \$750,000.00
001-409-500-598-6035 (Street Resurfacing): \$233,756.49

15% Contingency (funds available through prior City Council appropriations)
001-409-500-598-6035 (Street Resurfacing): \$147,563.47

APPROVED: _____

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

CEQA Notice of Exemption for the project was filed with San Diego County Recorder's Office in June 2016.

ORDINANCE: INTRODUCTION: ☐ FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Adopt Resolution awarding a contract to Palm Engineering Construction Company, Inc. in the not-to-exceed amount of \$983,756.49 for the Division Street Traffic Calming Project, CIP No. 16-09.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Bid Opening Summary
3. Three Lowest Bidders Summary
4. Resolution

EXPLANATION

The general scope of work for the Division Street Traffic Calming Project, CIP No. 16-09, includes traffic calming, pedestrian, bicycle and Safe Routes to School enhancements on Division Street between Highland Avenue and Euclid Avenue. Improvements include high intensity signing and striping; pedestrian curb ramps for ADA compliance; new buffered bike lanes with signage; and traffic calming measures such as a "road diet" converting four travel lanes to three travel lanes (two westbound and one eastbound) with a two-way left-turn center lane, buffered bike lanes and on-street parking.

On November 1, 2016, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors. On November 3, 2016 and November 10, 2016, the bid solicitation was advertised in local newspapers.

On November 22, 2016, four (4) bids were received electronically on PlanetBids by the 1:00 p.m. deadline. Bid results were available immediately after the 1:00 p.m. deadline. Palm Engineering Construction Company, Inc. was the apparent lowest bidder with a total bid amount of \$1,087,146.24 as the basis of award. Upon review of all documents submitted, Palm Engineering Construction Company, Inc.'s bid was deemed responsive, and they are the lowest responsible bidder qualified to perform the work as described in the project specifications.

Therefore staff recommends awarding a contract to Palm Engineering Construction Company, Inc. in the not-to-exceed amount of \$983,756.49, which includes the following:

- Base Bid amount of \$926,993.49
 - Includes the general improvements and roadway rehabilitation between Highland Avenue and Palm Avenue
- Alternate Bid 'B' – REAS Type II Slurry amount of \$56,763.00
 - Includes high quality slurry seal product to be applied between Palm Avenue and Euclid Avenue

By awarding Alternate Bid 'B', Base Bid Line Item No. 33 – Slurry Seal in the amount of \$50,681.25 will be eliminated, as well as Alternate Bid 'A' – RPMS Type II Slurry in the amount of \$52,708.50. These adjustments are reflected in the recommended contract award amount of 983,756.49.

Staff also recommends authorizing a 15% contingency in the amount of \$147,563.47 to address any unforeseen conditions that may arise.

Attached are the bid opening summary sheet and a line item summary of the three lowest bidders for reference.

Construction is estimated to be completed by June 2017.



BID OPENING RESULTS

NAME: DIVISION STREET TRAFFIC CALMING
CIP NO: 16-09
DATE: Tuesday, November 22, 2016
TIME: 1:00 P.M.
ESTIMATE: \$900,000
PROJECT ENGINEER: Kuna Muthusamy, P.E.

NO.	BIDDER'S NAME	Grand Total*	ADDEND A	BID SECURITY - BOND
1.	Palm Engineering Construction Company, Inc. 7330 Opportunity Rd #J San Diego, CA 92111	\$1,087,146.24	N/A	Bond
2.	Portillo Concrete, Inc. 3527 Citrus St. Lemon Grove, CA 91945	\$1,154,874.55	N/A	Bond
3.	LB Civil Construction, Inc. 324 East Valley Parkway Escondido, CA 92025	\$1,388,936.20	N/A	Bond
4.	Just Construction, Inc. 3103 Market Street San Diego, CA 92102	\$1,098,604,796.70**	N/A	Bond

* If an additive, alternate or additive/alternate bid items are called for in the Contract Documents, the sum of the base bid and all additive, alternate and additive/alternate bids, if any, shall be used to determine the lowest responsive bid.

**Grand total reflects contractor's proposal verbatim as submitted to Planet Bids.

Bid Results for Division Street Traffic Calming (CIP No. 16-09)

				PALM ENGINEERING CONSTRUCTION COMPANY, INC.		PORTILLO CONCRETE, INC.		LB Civil Construction, Inc.	
Item No.	Description	Unit	Qty.	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
Base Bid									
1	Mobilization/Demobilization	EA	1	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$100,000.00	\$100,000.00
2	Clearing and Grubbing	LS	1	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$5,000.00	\$5,000.00
3	Water Pollution Control	EA	1	\$10,000.00	\$10,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
4	Traffic and Pedestrian Control	EA	1	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$50,000.00	\$50,000.00
5	Unclassified Excavation	LS	1	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$10,000.00	\$10,000.00
6	Removal, Disposal and Replacement Of Unsuitable Subgrade	TON	500	\$50.00	\$25,000.00	\$50.00	\$25,000.00	\$120.00	\$60,000.00
7	Curb Ramp Type A	EA	1	\$3,000.00	\$3,000.00	\$4,000.00	\$4,000.00	\$5,500.00	\$5,500.00
8	Curb Ramp Type B	EA	1	\$3,000.00	\$3,000.00	\$4,000.00	\$4,000.00	\$5,500.00	\$5,500.00
9	Curb Ramp Type C	EA	10	\$3,000.00	\$30,000.00	\$3,500.00	\$35,000.00	\$5,500.00	\$55,000.00
10	Curb Ramp Type D	EA	2	\$2,200.00	\$4,400.00	\$3,000.00	\$6,000.00	\$5,000.00	\$10,000.00
11	Concrete Sidewalk - Remove and Replace	SF	1836	\$15.00	\$27,540.00	\$10.00	\$18,360.00	\$35.00	\$64,260.00
12	Grind Existing Concrete Pavement	LF	109	\$15.00	\$1,635.00	\$10.00	\$1,090.00	\$25.00	\$2,725.00
13	Curb and Gutter Replacement at S Avenue	LF	22	\$60.00	\$1,320.00	\$100.00	\$2,200.00	\$135.00	\$2,970.00
14	Sidewalk Underdrain west of Laurel Avenue	LS	1	\$3,500.00	\$3,500.00	\$1,000.00	\$1,000.00	\$2,300.00	\$2,300.00
15	Concrete Driveway - Remove and Replace	EA	1	\$2,800.00	\$2,800.00	\$6,000.00	\$6,000.00	\$6,100.00	\$6,100.00
16	Reset Pullbox to Grade	EA	1	\$350.00	\$350.00	\$500.00	\$500.00	\$1,100.00	\$1,100.00
17	Replace Pullbox	EA	1	\$600.00	\$600.00	\$500.00	\$500.00	\$630.00	\$630.00
18	Adjust to Grade Steel Valve Cover and Frame	EA	47	\$250.00	\$11,750.00	\$200.00	\$9,400.00	\$535.00	\$25,145.00

Bid Results for Division Street Traffic Calming (CIP No. 16-09)

				PALM ENGINEERING CONSTRUCTION COMPANY, INC.		PORTILLO CONCRETE, INC.		LB Civil Construction, Inc.	
Item No.	Description	Unit	Qty.	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
19	Adjust to Grade Steel Manhole Cover and Frame	EA	27	\$300.00	\$8,100.00	\$300.00	\$8,100.00	\$1,100.00	\$29,700.00
20	Pavement Dig Out Areas (Excavation)	CY	1156	\$50.00	\$57,800.00	\$40.00	\$46,240.00	\$70.00	\$80,920.00
21	Pavement Dig Out Areas (Install 12" base)	TON	1487	\$40.00	\$59,480.00	\$30.00	\$44,610.00	\$40.00	\$59,480.00
22	Pavement Dig Out Areas (Install 5" asphalt concrete)	TON	680	\$125.00	\$85,000.00	\$150.00	\$102,000.00	\$125.00	\$85,000.00
23	Pavement Reinforcement Fabric (Mirafi RS380)	SF	22037	\$0.70	\$15,425.90	\$1.00	\$22,037.00	\$0.80	\$17,629.60
24	Asphalt Concrete	TON	2511	\$95.60	\$240,051.60	\$110.00	\$276,210.00	\$75.00	\$188,325.00
25	Pavement Reinforcement Fabric (Glass Pave 25)	SF	2E+05	\$0.42	\$70,840.98	\$0.35	\$59,034.15	\$0.35	\$59,034.15
26	Cold Mill Existing Asphalt Concrete (Maximum Depth = 1")	SF	58974	\$0.24	\$14,153.76	\$0.35	\$20,640.90	\$0.30	\$17,692.20
27	Modified Type E Loop Detector	EA	37	\$406.25	\$15,031.25	\$360.00	\$13,320.00	\$325.00	\$12,025.00
28	Type E Loop Detector	EA	72	\$375.00	\$27,000.00	\$330.00	\$23,760.00	\$325.00	\$23,400.00
29	Modified Type Q (4'x6') loop Detector	EA	7	\$375.00	\$2,625.00	\$330.00	\$2,310.00	\$325.00	\$2,275.00
30	Gravity Wall	LF	20	\$150.00	\$3,000.00	\$100.00	\$2,000.00	\$400.00	\$8,000.00
31	Bus Pad (60'x10'x9")PCC	SF	4800	\$11.00	\$52,800.00	\$12.00	\$57,600.00	\$25.00	\$120,000.00
32	Bus Pad (60'x10'x9") Concrete Treated Base	CY	133	\$80.00	\$10,640.00	\$15.00	\$1,995.00	\$145.00	\$19,285.00
33	Slurry Seal (Type 2)	SY	13515	\$3.75	\$50,681.25	\$4.00	\$54,060.00	\$3.50	\$47,302.50
34	Cross Gutter Remove and Replace	EA	1	\$3,200.00	\$3,200.00	\$10,000.00	\$10,000.00	\$14,000.00	\$14,000.00
35	Signing and Striping	LS	1	\$41,950.00	\$41,950.00	\$56,000.00	\$56,000.00	\$42,000.00	\$42,000.00
36	Field Orders	Allow	1	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
				Subtotal	\$977,674.74		\$1,012,967.05		\$1,242,298.45

Bid Results for Division Street Traffic Calming (CIP No. 16-09)

				PALM ENGINEERING CONSTRUCTION COMPANY, INC.		PORTILLO CONCRETE, INC.		LB Civil Construction, Inc.	
Item No.	Description	Unit	Qty.	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)	Unit Price	Extension (Quantity x Unit Price)
Alternate Bid A									
37	Rubber Polymer Modified Slurry (RPMS), Type II	SY	13515	\$3.90	\$52,708.50	\$4.00	\$54,060.00	\$3.60	\$48,654.00
				Subtotal	\$52,708.50		\$54,060.00		\$48,654.00
Alternate Bid B									
38	Rubberized Emulsion Aggregate Slurry (REAS), Type II	SY	13515	\$4.20	\$56,763.00	\$6.50	\$87,847.50	\$7.25	\$97,983.75
				Subtotal	\$56,763.00		\$87,847.50		\$97,983.75
				Grand Total	\$1,087,146.24		\$1,154,874.55		\$1,388,936.20
Summary of Award									
	Base Bid				\$977,674.74		\$1,012,967.05		\$1,242,298.45
	Eliminate Line Item 33 - Slurry Seal (Type 2)				(\$30,881.75)		(\$54,060.00)		(\$41,305.00)
	Alternate Bid B				\$56,763.00		\$87,847.50		\$97,983.75
	Grand Total Awarded				\$983,756.49		\$1,046,754.55		\$1,292,979.70

The following page(s) contain the backup material for Agenda Item: (A) An Ordinance of the City Council of the City of National City establishing the compensation of the Mayor and the City Council. (City Attorney); (B) An Ordinance of the City Council of the City of National City establishing the Retiree Health Care B

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 13, 2016

AGENDA ITEM NO. |

ITEM TITLE:

- (A) An Ordinance of the City Council of the City of National City establishing the Compensation of the Mayor and the City Council.
- (B) An Ordinance of the City Council of the City of National City establishing Retiree Health Care Benefits for the Mayor and City Council.

PREPARED BY: George H. Eiser, III

DEPARTMENT: City Attorney

PHONE: Ext. 4222

APPROVED BY: *George H. Eiser, III*

EXPLANATION:

Please see attached memorandum.

FINANCIAL STATEMENT:

ACCOUNT NO. |

APPROVED: *Mark Ralento* Finance

APPROVED: _____ MIS

- (A) 001-401-000-1** (salaries & benefits)
- (B) 212-409-000-199 (Personnel Compensation)

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: ☒ FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Introduce ordinances.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Memorandum
Proposed ordinance establishing salaries
Proposed ordinance establishing retiree health care benefits

Mayor
Ron Morrison

Council Members
Jerry Cano
Alejandra Sotelo-Solis
Mona Rios
Albert Mendivil



Interim City Attorney
George H. Eiser, III

Senior Assistant City Attorney
Nicole Pedone

Deputy City Attorney
Roberto M. Contreras

TO: Mayor and City Council

DATE: December 13, 2016

FROM: City Attorney

SUBJECT: Adjustments in Compensation for Mayor and City Council

City Council Salary

The last salary adjustment for the City Council occurred on December 16, 2014, with the enactment of Ordinance No. 2014-2400, a copy of which is attached. That ordinance set the base salary of the City Council at \$1,081.62 per month.

Government Code Section 36516.5 provides that a change in compensation does not apply to a councilmember during his or her term in office. However, compensation for all members of the City Council may be adjusted whenever one or more members become eligible for an increase by virtue of beginning a new term of office. As a result, adjustments to compensation of Council members have been geared to elections at which members begin a new term in office.

Pursuant to Government Code Section 36516(a)(4), the Council may, by ordinance, increase its compensation by 5% per calendar year from the date of the last increase in compensation, so in the present case, up to 10%. A 10% increase in the salary of the City Council would amount to \$108.16, for a total of \$1,189.78 per month.

Mayor's Salary

Pursuant to Government Code Section 36516.1, an elected mayor may be provided with compensation in addition to that which he or she receives as a councilmember, pursuant to an ordinance or by a vote of the electors at a municipal election. There are no statutory limitations imposed on the amount of the mayor's compensation. The last salary adjustment for the Mayor occurred on December 16, 2014, pursuant to Ordinance No. 2014-2400, which set the base salary of the Mayor at \$4,120.12. Historically, the Mayor's salary has been increased by the same percentage as the salary of the City Council. If the Mayor's compensation were increased by 10%, the Mayor's monthly salary would be \$4,532.13.

Mayor and City Council Retiree Health Benefit

Although authorized by State law (Government Code Sections 53201 and 53205), retiree health benefits are not currently part of the compensation for the Mayor and City Council. The issue of retiree health benefits was considered by the City Council at the June 16, 2016 City Council meeting, but no action was taken or direction given. The issue is being presented at this time

City Treasurer and City Clerk Health Benefit

When the issue of a health benefit for the Mayor and City Council was considered at the June 16 Council meeting, consideration of a health benefit for the elected City Treasurer and City Clerk was also considered, but not acted upon. It is within the authority of the City Council to approve a health benefit for these elected officials subject to the same requirements that are applicable to the City Council. (Government Code Section 53201.)


Elected Official Compensation Survey

Attached is a table prepared in August 2016 showing the compensation of mayors and councilmembers in San Diego County.

Proposed Ordinances

A proposed ordinance is attached increasing the salaries of the Mayor and City Council by 10%. A separate proposed ordinance grants retirement health benefits to the Mayor and City Council at the same level as the retiree health benefit for the Management/Executive Group, with the exception of a more restrictive vesting requirement.

The proposed ordinances are being submitted for introduction at the December 13 meeting. If the Council wishes to modify the provisions of either of the proposed ordinances, it is recommended that such modifications should be acted upon at the time that ordinance is introduced. If modifications are made at the meeting at which either ordinance is considered for final adoption, it will be necessary for that ordinance to be re-introduced, with final adoption to occur at a later meeting. Delaying final adoption of either ordinance in this manner would raise issues regarding the timeliness of the action under applicable state law.



GEORGE H. EISER, III
Interim City Attorney

GHE/gm
Attachment

ORDINANCE NO. 2014 – 2400

AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF NATIONAL CITY
ESTABLISHING THE COMPENSATION OF
THE MAYOR AND THE CITY COUNCIL

BE IT ORDAINED by the City Council of the City of National City as follows:

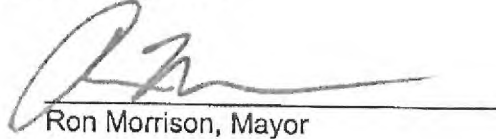
Section 1. That the base monthly compensation for the City Council is established at \$1,081.62 per month, pursuant to the provisions of Sections 36516 and 36516.5 of the California Government Code.

Section 2. That the base monthly compensation of the Mayor is established at \$4,120.12 per month, pursuant to the provisions of Section 36516.1 of the Government Code.

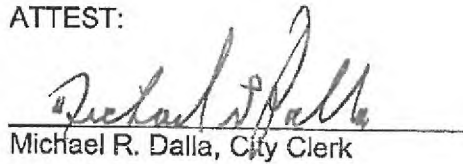
Section 3. That for mayors and city councilmembers first elected or appointed on or after January 1, 2013, their retirement benefit formula shall be established pursuant to the California Public Employees' Pension Reform Act of 2013.

Section 4. That the benefits for the Mayor and City Council shall remain as previously established.

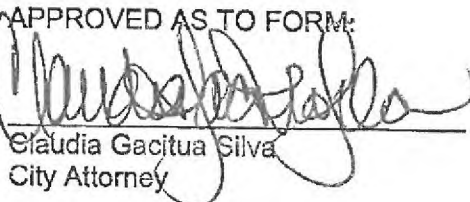
PASSED and ADOPTED this 16th day of December, 2014.


Ron Morrison, Mayor

ATTEST:


Michael R. Dalla, City Clerk

APPROVED AS TO FORM:


Claudia Gacitua Silva
City Attorney

Passed and adopted by the Council of the City of National City, California, on December 16, 2014 by the following vote, to-wit:

Ayes: Councilmembers Cano, Mendivil, Morrison, Rios.

Nays: Councilmember Sotelo-Solis.

Absent: None.

Abstain: None.

AUTHENTICATED BY:

RON MORRISON

Mayor of the City of National City, California



Nicholas J. Galla
City Clerk of the City of National City, California

By: _____

Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally adopted until seven calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on December 2, 2014 and on December 16, 2014.

I FURTHER CERTIFY THAT said ordinance was read in full prior to its final passage or that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

I FURTHER CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. 2014-2400 of the City Council of the City of National City, passed and adopted by the Council of said City on December 16, 2014.

City Clerk of the City of National City, California

By: _____

Deputy



Elected Official Compensation Survey: Mayor and Council

Agency	Charter City	MAYOR					COUNCIL					Health Care	Notes
		Monthly Compensation	Comm Dev / Hsg Board	Other Related Comp	Expense Allowance	Car Allowance	Monthly Compensation	Comp for RDA or Special Mtgs	Other Related Comp	Expense Allowance	Car Allowance		
Carlsbad	X	\$2,152	\$75/mtg for CDC	\$100/mtg for Water Board	Not provided	\$450/mo	\$2,052	\$75/mtg for CDC	\$100/mtg for Water Board	Not provided	\$350/mo	\$1,428/mo	
Chula Vista	X	\$10,397	\$50/mtg Housing	Not provided	Not provided	\$650/mo	\$4,159	\$50/mtg Housing	Not provided	Not provided	\$358/mo	\$1,372/mo	
Coronado		\$435	\$30/mtg for CDSA	Not provided	\$175/mo	Not provided	\$435	\$30/mtg for CDSA	Not provided	\$75/mo	Not provided	\$1,473/mo	Effective January 2017, health care will increase from \$1,473 to \$1,612 (9.46% increase).
Del Mar	X	\$350	Not provided	Not provided	Not provided	Not provided	\$300	Not provided	Not provided	Not provided	Not provided	Not provided	
El Cajon	X	\$2,240	\$30/mtg	Not provided	Not provided	\$550/mo	\$1,553	\$30/mtg	Not provided	Not provided	\$450/mo	\$1,000/mo	
Encinitas		\$1,186	\$100/mo (pd by the Wtr Board); \$50/mtg Hsg	\$160/mtg	Actual Exp & \$350/mo	\$350/mo	\$1,186	\$100/mo (pd by the Wtr Board); \$50/mtg Hsg	\$160/mtg	Actual Exp & \$350/mo	\$350/mo	\$1,091/mo	
Escondido		\$4,872	Not provided	Not provided	Not provided	\$750/mo	\$1,726	Not provided	Not provided	Not provided	\$750/mo	up to \$1,309/mo	There is supposed to be a 10% salary increase in December 2016, following the November election.
Imperial Beach		\$1,100	\$30/mtg	Not provided	Expenses Reimb	Not provided	\$300	\$30/mtg	Not provided	Expenses Reimb	Not provided	up to \$1,350/mo	
La Mesa		\$2,000	Not provided	Not provided	\$1,000/yr expense allow	\$400/mo	\$1,000	Not provided	Not provided	\$1,000/yr expense allow	\$350/mo	\$1,314/mo	Effective 2017, Council expense allowance will increase from \$1,000 to \$1,354
Lemon Grove		\$1,234	Not provided	Not provided	Not provided	\$175/mo	\$705	Not provided	Not provided	Not provided	\$175/mo	\$750/mo	They are considering an increase after election.
Oceanside	X	\$2,344	\$350/mo CDD mtg & \$200/mo Harbor mtg	Not provided	\$400/mo		\$2,195	\$350/mo CDD mtg & \$200/mo Harbor mtg	Not provided	\$350/mo		up to \$1,429/mo tied to unrep Ees	Effective December 2016, Mayor & Council compensation will increase to \$2,658 & \$2,483, respectively
Poway		\$1,467	Not provided	\$75/mo phone allowance	Not provided	\$300/mo mileage	\$1,167	\$100 or \$150 per meeting	\$50/mo phone allowance	Not provided	\$300/mo mileage	up to \$1843.24/mo	Plan to re-visit salaries in January 2017
San Diego	X	\$8,372	Not provided	Not provided	Not provided	\$800/mo	\$6,282	Not provided	Not provided	Not provided	\$800/mo	up to \$1,343.42	
San Marcos	X	\$978	Not provided	Not provided	Not provided	\$300/mo	\$978	Not provided	Not provided	Not provided	\$300/mo	See Notes	\$1,175/mo for the Mayor plus \$1,300/yr flexible spending account; up to \$1,856 for the Council plus \$1,300/yr flexible spending account
Santee	X	\$2,707	Not provided	Not provided	Not provided	\$300/mo	\$1,606	Not provided	Not provided	Not provided	\$300/mo	\$1,538/mo	
Solana Beach		\$713	Not provided	\$160/mtg for SEJPA	Not provided	\$350/mo	\$713	Not provided	\$160/mtg for SEJPA	Not provided	\$350/mo	\$1,120/mo	
Vista	X	\$2,722	\$147.75/mtg Buena Sanitation District	\$90/mo cell phone allowance	Not provided	Included in salary	\$2,622	\$147.75/mtg Buena Sanitation District	\$90/mo cell phone allowance	Not provided	Included in salary	up to \$1,933/mo	
National City		\$4,120	Not provided	Not provided	\$350/mo	\$750/mo	\$1,082	Not provided	Not provided	\$350/mo	Not provided	\$1200/mo	
Color Denotes Full Service Cities													

ORDINANCE NO. 2016 –
AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF NATIONAL CITY
ESTABLISHING THE COMPENSATION OF
THE MAYOR AND THE CITY COUNCIL

BE IT ORDAINED by the City Council of the City of National City as follows:

Section 1. That the base monthly compensation for the City Council is established at \$1,189.78 per month, pursuant to the provisions of Sections 36516 and 36516.5 of the California Government Code.

Section 2. That the base monthly compensation of the Mayor is established at \$4,532.13 per month, pursuant to the provisions of Section 36516.1 of the Government Code.

PASSED and ADOPTED this 13th day of December, 2016.

Ron Morrison, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

George H. Eiser, III
Interim City Attorney

ORDINANCE NO. 2016 –

AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF NATIONAL CITY
ESTABLISHING THE RETIREE HEALTH CARE
BENEFITS FOR THE MAYOR AND CITY COUNCIL

BE IT ORDAINED by the City Council of the City of National City as follows:

Section 1. That the Mayor and City Council shall receive the retiree health benefits at the same level as the Executive/Management Group, as follows:

- (a) \$20 per month, multiplied by the number of years of service
- (b) 20 years of service required for vesting
- (c) Retirement from City and CalPERS (simultaneously at the time of separation from the City)
- (d) Benefit continues for lifetime of individual

Section 2. That all other benefits for the Mayor and City Council shall remain the same.

PASSED and ADOPTED this 13th day of December, 2016.

Ron Morrison, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

George H. Eiser, III
Interim City Attorney

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City authorizing the following actions to facilitate completion of priority Capital Improvement Program (CIP) projects: 1) release of General Fund (GF) appropriations in the amount of \$990,460.24 from

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 13, 2016

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the following actions to facilitate completion of priority Capital Improvement Program (CIP) projects: 1) release of General Fund (GF) appropriations in the amount of \$990,460.24 from Civic Center Chiller, Kimball Tower Rehab, George H. Waters Nutrition Center Improvements (Phases I & II), Kimball Recreation Center Roof Replacement, MLK Jr Community Center Improvements, and Casa de Salud Manuel Portillo Youth Center Improvements projects; 2) appropriate \$990,460.24 to corresponding GF expenditure accounts for Police Department Building Improvements (Phase I), ARTS Center Roof Replacement, Drainage Improvements, and Street Resurfacing projects; 3) release of Information Systems Maintenance (ISM) appropriations in the amount of \$70,171.70 from Security Card Access System and Civic Center Data Center AC projects; and 4) appropriate \$70,171.70 to corresponding ISM expenditure account for Public Safety Cameras project for the National City Aquatic Center.

PREPARED BY: Stephen Manganiello

DEPARTMENT: Engineering/Public Works

PHONE: (619) 336-4382

APPROVED BY: 

EXPLANATION:

See attached.

FINANCIAL STATEMENT:

ACCOUNT NO.

See attached.

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: ☐ FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Adopt Resolution authorizing release of funds from various Capital Improvement Program (CIP) projects in order to increase appropriations for other CIP projects, which are either in construction or ready for construction bidding.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Financial Statement
3. Resolution

Explanation

An integral part of delivering a successful Capital Improvement Program (CIP) for the residents of National City is prioritizing projects and leveraging funding opportunities. As the City approaches the mid-year, staff has identified a need for additional funds for several projects which are either in construction or ready for construction bidding. In order to offset the impact to the General Fund, staff has identified other CIP projects that have been completed under budget, incorporated into larger financing programs, and/or delayed in order to complete comprehensive needs assessments.

Therefore, staff recommends that City Council authorize the following actions to facilitate completion of priority CIP projects: 1) 1) release of General Fund (GF) appropriations in the amount of \$990,460.24 from Civic Center Chiller, Kimball Tower Rehab, George H. Waters Nutrition Center Improvements (Phases I & II), Kimball Recreation Center Roof Replacement, MLK Jr Community Center Improvements, and Casa de Salud Manuel Portillo Youth Center Improvements projects; 2) appropriate \$990,460.24 to corresponding GF expenditure accounts for Police Department Building Improvements (Phase I), ARTS Center Roof Replacement, Drainage Improvements, and Street Resurfacing projects; 3) release of Information Systems Maintenance (ISM) appropriations in the amount of \$70,171.70 from Security Card Access System and Civic Center Data Center AC projects; and 4) appropriate \$70,171.70 to corresponding ISM expenditure account for Public Safety Cameras project for the National City Aquatic Center.

The attached Financial Statement provides an accounting summary, including justifications for the release and appropriation of funds.

Financial Statement

Project	Description	Account #	General Fund (001)	Information Systems Maintenance (629)	Total	Notes
Civic Center Chiller Project	Provide energy efficiency upgrades, including replacement of the HVAC	001-409-500-598-1591	\$ (148,599.60)		\$ (148,599.60)	Improvements will be financed and completed through Energy Savings Contract (ESCO)
Kimball Tower Rehab	Replace boiler system; other improvements TBD	001-409-500-598-1593	\$ (150,296.30)		\$ (150,296.30)	Boiler system has been replaced; other improvements will be identified and financed as part of Kimball-Morgan Tower rehabilitation project
George H. Waters Nutrition Center Improvements - Phase I	Replace walk-in refrigerator, replace roof-mounted HVAC unit, and install dishwasher roof utility fan	001-409-500-598-1599	\$ (334,262.76)		\$ (334,262.76)	Improvements have been completed
George H. Waters Nutrition Center Improvements - Phase II	Replace grease interceptor; other improvements TBD	001-409-500-598-1598	\$ (90,000.00)		\$ (90,000.00)	Replacement of grease interceptor and other improvements will be identified and financed as part of Kimball-Morgan Tower rehabilitation project
Kimball Recreation Center Roof Replacement	Replace Kimball Rec Center roof	001-409-500-598-1602	\$ (50,000.00)		\$ (50,000.00)	Project is on-hold until needs assessment is completed to determine ultimate use of the facility; staff will continue to maintain commercial grade roof tarps (installed last year) and provide minor maintenance as needed
MLK Jr Community Center Improvements	Replace two, 7.5 ton rooftop heat pump units with economizers at the MLK Jr Community Center; provide energy efficiency upgrades; other improvements TBD	001-409-500-598-1607	\$ (187,440.60)		\$ (187,440.60)	Rooftop heat pump units have been replaced; energy efficiency upgrades will be financed and completed through Energy Savings Contract (ESCO); other improvements will be identified and financed as part of facilities needs assessment
Casa de Salud Manuel Portillo Youth Center Improvements	Refurbish Casa de Salud, including interior and exterior painting, new indoor soccer court, building signage and public art; provide energy efficiency upgrades; other improvements TBD	001-409-500-598-4070	\$ (29,860.98)		\$ (29,860.98)	Refurbishment of Casa de Salud has been completed; energy efficiency upgrades will be financed and completed through Energy Savings Contract (ESCO); other improvements will be identified and financed as part of facilities needs assessment

Project	Description	Account #	General Fund (001)	Information Systems Maintenance (629)	Total	Notes
Security Card Access System	Provide upgrades to the security card access system	629-409-500-598-8032		\$ (35,635.12)	\$ (35,635.12)	Upgrades have been completed
Civic Center Data Center AC	Provide upgrades to the Civic Center Data Center AC	629-409-500-598-8037		\$ (34,536.58)	\$ (34,536.58)	Upgrades have been completed
		Subtotal	\$ (990,460.24)	\$ (70,171.70)	\$ (1,060,631.94)	
Police Department Building Improvements - Phase I	Provide electrical and mechanical upgrades to support expansion of the Police Department Property and Evidence Room, ADA upgrades, fire suppression system upgrades, waterproofing, landscaping and irrigation	001-409-500-598-1181	\$ 50,000.00		\$ 50,000.00	Additional appropriations are needed for preparation of as-built drawings and project close-out for Phase I improvements
ARTS Center Roof Replacement	Replace ARTS Center roof	001-409-500-598-1600	\$ 100,000.00		\$ 100,000.00	Additional appropriations needed for construction based on latest plans and Engineers' estimate
Drainage Improvements	Provide drainage improvements Citywide	001-409-500-598-7062	\$ 100,000.00		\$ 100,000.00	Additional appropriations needed for construction of various drainage improvement projects
Street Resurfacing	Provide roadway rehabilitation digouts, grinding, overlay and slurry seals; re-striping of finished pavement and new signage; removal and replacement of damaged or lifted sidewalks and substandard pedestrian curb ramps for ADA compliance	001-409-500-598-6035	\$ 740,460.24		\$ 740,460.24	Additional appropriations needed for construction of various street resurfacing projects, such as Division Street, 16th Street, 18th Street and Plaza Blvd
Public Safety Cameras	Install public safety cameras and associated infrastructure for the National City Aquatic Center	629-409-500-598-8040		\$ 70,171.70	\$ 70,171.70	Additional appropriations needed to install public safety cameras and associated infrastructure for the National City Aquatic Center
		Subtotal	\$ 990,460.24	\$ 70,171.70	\$ 1,060,631.94	

The following page(s) contain the backup material for Agenda Item: Selection of Vice-Mayor

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 13, 2016

AGENDA ITEM NO. |

ITEM TITLE:

NEW BUSINESS: Selection of Vice-Mayor

PREPARED BY: George H. Eiser, III
Interim City Attorney

DEPARTMENT: City Attorney

PHONE: Ext. 4222

APPROVED BY: 

EXPLANATION:

Appearing on the City Council agenda for the meeting of December 6, 2016, is a resolution declaring the results of the General Municipal Election held on November 8, 2016.

In a general law city such as National City, the California Government Code, at Sections 36801 and 34905, provide that at the meeting at which the declaration of results for a general municipal election is made, the city council shall, following the declaration of the election results and installation of elected officials, choose one of its members as mayor pro tempore (referred to in National City as the vice-mayor).

Government Code Section 36802 provides that the mayor shall preside at the meetings of the council; that if the Mayor is absent or unable to act, the mayor pro tempore shall serve until the mayor returns or is able to act; and that the mayor pro tempore has all of the powers and duties of the mayor.

In addition to these Government Code sections, Policy No. 602 of the City Council Policy Manual sets forth certain duties of the vice-mayor pertaining to the City Council clerical staff. A copy of Policy No. 602 is attached.

The selection of the vice-mayor may be accomplished by approval of a motion.

FINANCIAL STATEMENT:

ACCOUNT NO. |

N/A

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Approval of motion.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

City Council Policy No. 602

CITY COUNCIL POLICY

TITLE:	CITY COUNCIL CLERICAL STAFF AND EXECUTIVE ASSISTANT TO THE MAYOR	POLICY NUMBER:	602
ADOPTED:	August 20, 1985	AMENDED OR REVISED:	January 21, 1986 December 16, 2008
<p><u>Purpose</u></p> <p>To establish guidelines for the evaluation or replacement of the City Council Clerical Staff and Executive Assistant to the Mayor.</p> <p><u>Policy</u></p> <p>It shall be the responsibility of the Vice Mayor to confer with the Mayor to coordinate the performance evaluation or replacement of the City Council Clerical Staff and Executive Assistant to the Mayor. The Vice Mayor shall confer with the Mayor to make recommendations on performance, pay increases, and the need for temporary assistance in case of absences.</p> <p>The Vice Mayor will also be responsible to confer with the Mayor for the annual review and evaluation of the performance of the City Council Clerical Staff and Executive Assistant to the Mayor.</p> <p><u>Related Policy Procedures</u></p> <p>None.</p>			

The following page(s) contain the backup material for Agenda Item: Temporary Use Permit – South Bay Community Church requesting to have a shipping container for storage at 2400 Euclid Avenue from December 14, 2016 thru December 14, 2017 with no waiver of fees. (Neighborhood Services)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 13, 2016

AGENDA ITEM NO. |

ITEM TITLE:

Temporary Use Permit – South Bay Community Church requesting to have a shipping container for storage at 2400 Euclid Avenue from December 14, 2016 thru December 14, 2017 with no waiver of fees.

PREPARED BY: | Dionisia Trejo |

DEPARTMENT: Neighborhood Services Department

PHONE: | (619) 336-4255 |

APPROVED BY: 

EXPLANATION:

This is a request from South Bay Community Church to have a shipping container for storage at 2400 Euclid Avenue from December 14, 2016 thru December 14, 2017.

This storage container will be used for the weekly homeless outreach, seasonal decorations and additional outreach supplies. The container will also secure and hold current construction materials during building improvements and renovations.

Note: This is the first year this organization has requested a Temporary Use Permit to have a shipping container for storage on this property.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO. |

APPROVED: _____ **MIS**

|The City has incurred \$237.00 for processing the TUP.

Total Fees: \$237.00 |

ENVIRONMENTAL REVIEW:

N/A|

ORDINANCE: INTRODUCTION: ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Approve the Application for a Temporary Use Permit with no waiver of fees subject to compliance with all conditions of approval.

BOARD / COMMISSION RECOMMENDATION:

N/A|

ATTACHMENTS:

|Application for a Temporary Use Permit with recommended approvals and conditions of approval. |



City of National City ■ Neighborhood Services Department
1243 National City Boulevard ■ National City, CA 91950
(619) 336-4364 ■ fax (619) 336-4217
www.nationalcityca.gov

Special Event Application

Type of Event

- ☐ Fair/Festival ☐ Parade/March ☐ Walk or Run ☐ Concert/Performance
☒ TUP ☐ Sporting Event ☐ Other (specify) _____

Event Name & Location

Event Title Container Storage

Event Location (list all sites being requested) Container will be stored at 2400 Euclid Ave., NC, Ca 91950

Event Times

Set-Up Starts

Date n/a Time _____ Day of Week _____

Event Starts

Date 12-14-16 Time _____ Day of Week _____

Event Ends

Date 12-14-17 Time _____ Day of Week _____

Breakdown Ends

Date n/a Time _____ Day of Week _____

Applicant Information

Applicant (Your name) Eddie Duenas Sponsoring Organization South Bay Community Church

Event Coordinator (if different from applicant) n/a

Mailing Address 2400 Euclid Ave. NC, Ca 91950

Day Phone 619-267-5500 After Hours Phone 619-787-2601 Cell 619-787-2601 Fax _____

Public Information Phone n/a E-mail eddie@southbaycc.org

Applicant agrees to investigate, defend, indemnify and hold harmless the City, its officers, employees and agents from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, expense (including attorney's fees) and causes of action of any character which the City, its officers, employees and agents may incur, sustain or be subjected to on account of loss or damage to property or the loss of use thereof and for bodily injury to or death of any persons (including but not limited to the employees, subcontractors, agents and invitees of each party hereto) arising out of or in any way connected to the occupancy, enjoyment and use of any City premises under this agreement to the extent permitted by law.

The undersigned also understands and accepts the City's refund policy for application processing and facility use and that fees and charges are adjusted annually and are subject to change.

Signature of Applicant: [Signature] Date 11-21-16

Security and Crowd Control

Depending on the number of participants, your event may require Police services.

Please describe your procedures for both Crowd Control and Internal Security: n/a

Have you hired Professional Security to handle security arrangements for this event?

Yes ☐ No ☒

If YES, name and address of Security Organization _____

Security Director (Name): _____

Phone: _____

If using the services of a professional security firm AND the event will occur on City property, please provide a copy of its insurance certificate, evidencing liability with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate, as well as and additional insured endorsement naming the City of National City, its officers, employees, and agents as additional insureds. Evidence of insurance must be provided by the vendor or its insurer to the City's Risk Manager for review and approval prior to the event.

Is this a night event? Yes ☐ No ☒ If YES, please state how the event and surrounding area will be illuminated to ensure safety of the participants and spectators: _____

First Aid

Depending on the number of participants, your event may require specific First Aid services.

First aid station to be staffed by event staff? Yes ☐ No ☒ First aid/CPR certified? Yes ☐ No ☒

☐ First aid station to be staffed by professional company. ► Company n/a

Accessibility

Please describe your Accessibility Plan for access at your event by individuals with disabilities:

n/a

Using electrical power? Yes ☐ No ☐

- ☐ Using on-site electricity ☐ For sound and/or lighting ☐ For food and/or refrigeration
☐ Bringing in generator(s) ☐ For sound and/or lighting ☐ For food and/or refrigeration

Vendor Information

PLEASE NOTE: You may be required to apply for a temporary health permit if food or beverages are sold or given away during your special event. Also see 'Permits and Compliance' on page 8 in the Special Event Guide. For additional information on obtaining a temporary health permit, please contact the County of San Diego Environmental Health at (619) 336-2363.

Having food and non-alcoholic beverages at your event? Yes ☐ No ☒

- ☐ Vendors preparing food on-site ▶ # _____ ▶ Business License # _____

If yes, please describe how food will be served and/or prepared: _____

- ☐ Vendors bringing pre-packaged food ▶ # _____ ▶ Business License # _____
☐ Vendors bringing bottled, non-alcoholic beverages (i.e., bottled water, can soda, etc.) ▶ # _____
☐ Vendors selling food # _____ ▶ Business License #(s) _____
☐ Vendors selling merchandise # _____ ▶ Business License #(s) _____
☐ Food/beverages to be handled by organization; no outside vendors
☐ Vendors selling services # _____ ▶ Business License #(s) _____
▶ Explain services _____
☐ Vendors passing out information only (no business license needed) # _____
▶ Explain type(s) of information _____
☐ No selling or informational vendors at event

Having children activities? Yes ☐ No ☒

PLEASE NOTE: In the event inflatable jumps are provided at the event, The City of National City requires commercial liability insurance with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. The application should be filed out at least one week prior to the event. There is a \$25 fee to process the permit application. For questions or to obtain a copy of the "Facility Use Application", please contact the Engineering/Public Works Department at (619) 336-4580.

- ☐ Inflatable bouncer house # _____ ☐ Rock climbing wall Height _____
☐ Inflatable bouncer slide # _____ ☐ Arts & crafts (i.e., craft making, face painting, etc.)
☐ Other _____

Set-up, Breakdown, Clean-up

Setting up the day before the event?

- ☐ Yes, will set up the day before the event. ▶ # of set-up day(s) n/a
- ☐ No, set-up will occur on the event day

Requesting vehicle access onto the turf?

- ☐ Yes, requesting access onto turf for set-up and breakdown (complete attached Vehicle Access Request form)
- ☐ No, vehicles will load/unload from nearby street or parking lot.

NPDES-Litter Fence

- ☐ City to install litter fence
- ☐ Applicant to install litter fence
- ☒ N/A

Breaking down set-up the day after the event?

- ☐ Yes, breakdown will be the day after the event. ▶ # of breakdown day(s) n/a
- ☐ No, breakdown will occur on the event day.

How are you handling clean-up?

- ☐ Using City crews
- ☐ Using volunteer clean-up crew during and after event.
- ☐ Using professional cleaning company during and after event.

Miscellaneous

Please list anything important about your event not already asked on this application:

**Please make a copy of this application for your records.
We do not provide copies.**

City of National City

PUBLIC PROPERTY USE HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

Persons requesting use of City property, facilities or personnel are required to provide a minimum of \$1,000,000 combined single limit insurance for bodily injury and property damage which includes the City, its officials, agents and employees named as additional insured and to sign the Hold Harmless Agreement. Certificate of insurance must be attached to this permit. The insurance company issuing the insurance policy must have a A.M. Best's Guide Rating of A:VII and that the insurance company is a California admitted company; if not, then the insurance policy to the issuance of the permit for the event. The Certificate Holder must reflect:

City of National City
Risk Management Department
1243 National City Boulevard
National City, CA 91950

Organization: South Bay Community Church

Person in Charge of Activity: Eddie Duenas

Address: 2400 Euclid Ave., NC, Ca 91950

Telephone: _____ Date(s) of Use: _____

HOLD HARMLESS AGREEMENT

As a condition of the issuance of a temporary use permit to conduct its activities on public or private property, the undersigned hereby agree(s) to defend, indemnify and hold harmless the City of National City and the Parking Authority and its officers, employees and agents from and against any and all claims, demands, costs, losses, liability or, for any personal injury, death or property damage, or both, or any litigation and other liability, including attorneys fees and the costs of litigation, arising out of or related to the use of public property or the activity taken under the permit by the permittee or its agents, employees or contractors.

Signature of Applicant: 

Official Title: Associate Pastor

Date: 11-21-16

For Office Use Only

Certificate of Insurance Approved _____ Date _____



CITY ATTORNEY

No comments

POLICE DEPARTMENT

No comments

FIRE

No comments

RISK MANAGER (619) 336-4370

I have reviewed the above captioned request for the issuance of a Temporary Use Permit. In order to satisfy the City's insurance requirements it will be necessary that the applicant provide the following:

- Provide a valid copy of the Certificate of Liability Insurance wherein the City of National City, its officials, agents, employees and volunteers are named as an additional insured by way of a separate endorsement.
- The insurance policy must have a combined single limit of no less than \$1,000,000.00 (ONE MILLION DOLLARS) for each occurrence and \$2,000,000.00 (TWO MILLION DOLLARS) in aggregate that would cover the date and location of the event.
- The insurance company issuing the insurance policy has an A.M. Best's Guide Rating of A: VII and that the insurance company is a California admitted company.
- The Certificate Holder reflects:
City of National City
c/o Risk Manager
1243 National City Boulevard
National City, CA. 91950-4397
- Name, address and contact information for the broker providing this insurance policy was provided.

The following page(s) contain the backup material for Agenda Item: Temporary Use Permit – “Frank King’s Christmas with Kids” hosted by Christmas with Kids at 223 E. 3rd Street on December 25, 2016 from 7 a.m. to 11 a.m. The applicant has requested a waiver of fees. (Neighborhood Services)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 13, 2016

AGENDA ITEM NO. |

ITEM TITLE:

Temporary Use Permit – “Frank King’s Christmas with Kids” hosted by Christmas with Kids at 223 E. 3rd Street on December 25, 2016 from 7 a.m. to 11 a.m. The applicant has requested a waiver of fees.

PREPARED BY: Dionisia Trejo |

DEPARTMENT: Neighborhood Services Department

PHONE: (619) 336-4255 |

APPROVED BY: 

EXPLANATION:

This is a request from the Christmas with Kids organization to conduct the “Frank King’s Christmas with Kids” event at 223 E. 3rd Street on December 25, 2016 from 7 a.m. to 11 a.m. This event has been taking place at the King’s Residence for 42 years here in National City. Since the passing of Mr. King, other community groups have taken up this charity that provides bicycles to underprivileged children.

This event starts early Christmas morning and television networks will be there broadcasting throughout the morning for this event.

Street closures are being requested on E 3rd Street between ‘B’ Avenue and ‘D’ Avenue starting at 5 a.m. to 1 p.m.

Note: In 2014 and 2015, City Council did approve the waiver of fees associated with this T.U.P event.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

The City has incurred \$237.00 for processing the TUP through various City departments.
Total fees: \$237.00 |

ENVIRONMENTAL REVIEW:

N/A |

ORDINANCE: ☐ **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Approve the Application for a Temporary Use Permit subject to compliance with all conditions of approval with no waiver of fees. |

BOARD / COMMISSION RECOMMENDATION:

N/A |

ATTACHMENTS:

Application for a Temporary Use Permit with recommended approvals and conditions of approval. |



City of National City ■ Neighborhood Services Department
1243 National City Boulevard ■ National City, CA 91950
(619) 336-4364 ■ fax (619) 336-4217
www.nationalcityca.gov

Special Event Application

Type of Event

- ☐ Fair/Festival ☐ Parade/March ☐ Walk or Run ☐ Concert/Performance
☐ TUP ☐ Sporting Event ☒ Other (specify) Christmas Bike/Toy Giveaway

Event Name & Location

Event Title Frank King's Christmas with Kids

Event Location (list all sites being requested) 223 E 3rd St National City, CA 91950

Event Times

Set-Up Starts
Date 12/25/2016 Time 0500 Day of Week Sunday

Event Starts
Date 12/25/2016 Time 0700 Day of Week Sunday

Event Ends
Date 12/25/2016 Time 1100 Day of Week Sunday

Breakdown Ends
Date 12/25/2016 Time 1200 Day of Week Sunday

Applicant Information

Applicant (Your name) Michael Strand Sponsoring Organization Christmas with Kids

Event Coordinator (if different from applicant) Brian Trum

Mailing Address 4602 Saute Ave San Diego Ca 92117

Day Phone 6192469474 After Hours Phone 6192469474 Cell 6192469474 Fax _____

Public Information Phone 6192469474 E-mail snowman1946@aol.com

Applicant agrees to investigate, defend, indemnify and hold harmless the City, its officers, employees and agents from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, expense (including attorney's fees) and causes of action of any character which the City, its officers, employees and agents may incur, sustain or be subjected to on account of loss or damage to property or the loss of use thereof and for bodily injury to or death of any persons (including but not limited to the employees, subcontractors, agents and invitees of each party hereto) arising out of or in any way connected to the occupancy, enjoyment and use of any City premises under this agreement to the extent permitted by law.

Applicant understands this TUP/special event may implicate fees for City services, which will have to be paid in the City's Finance Department 48 hours prior to the event set-up. The undersigned also understands and accepts the City's refund policy for application processing and facility use and that fees and charges are adjusted annually and are subject to change.

Signature of Applicant: Michael Strand Digitally signed by Michael Strand
Date: 2016.11.23 10:00:18 -08'00' Date 2016.11.23

Special Event Application (continued)

Please complete the following sections with as much detail as possible since fees and requirements are based on the information you provide us.

Fees/Proceeds/Reporting

Is your organization a "Tax Exempt, nonprofit" organization? Yes ☒ No ☐

Are admission, entry, vendor or participant fees required? Yes ☐ No ☒

If YES, please explain the purpose and provide amount (s):

\$ 0.00 Estimated Gross Receipts including ticket, product and sponsorship sales from this event.

\$ 0.00 Estimated Expenses for this event.

\$ 0.00 What is the projected amount of revenue that the Nonprofit Organization will receive as a result of this event?

Description of Event

☐ First time event ☒ Returning Event ☐ include site map with application

Note that this description may be published in our City Public Special Events Calendar:

Frank King's Christmas with kids is an annual National City Christmas morning toy and bike give away started by Frank King in his own yard. Under privileged children of National City can receive toys and some even a bike on Christmas morning. This event continues past Franks death through the efforts of the Christmas with Kids charity.

Estimated Attendance

Anticipated # of Participants: 200 Anticipated # of Spectators: _____

Traffic Control, Security, First Aid and Accessibility

Requesting to close street(s) to vehicular traffic? Yes ☒ No ☐

List any streets requiring closure as a result of the event (provide map): The 200 block of E 3rd St
in National city between B ave and D Ave.

Date and time of street closure: 25 Dec 16 0500 Date and time of street reopening: 25 Dec 1300

☐ Other (explain) _____

Requesting to post "no parking" notices? Yes ☐ No ☒

☐ Requested "No Parking" on city streets and/or parking lots (list streets/parking lots) (provide map):

☐ Other (explain) _____

Security and Crowd Control

Depending on the number of participants, your event may require Police services.

Please describe your procedures for both Crowd Control and Internal Security: Christmas with kids
is supported by plenty of volunteers on Christmas morning, providing its own crowd control and security

Have you hired Professional Security to handle security arrangements for this event?

Yes ☐ No ☒ If YES, name and address of Security Organization _____

Security Director (Name): _____ Phone: _____

If using the services of a professional security firm AND the event will occur on City property, please provide a copy of its insurance certificate, evidencing liability with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate, as well as and additional insured endorsement naming the City of National City, its officers, employees, and agents as additional insureds. Evidence of insurance must be provided by the vendor or its insurer to the City's Risk Manager for review and approval prior to the event.

Is this a night event? Yes ☐ No ☒ If YES, please state how the event and surrounding area will be illuminated to ensure safety of the participants and spectators: _____

First Aid

Depending on the number of participants, your event may require specific First Aid services.

First aid station to be staffed by event staff? Yes ☐ No ☒ First aid/CPR certified? Yes ☐ No ☐

☐ First aid station to be staffed by professional company. ► Company _____

Accessibility

Please describe your Accessibility Plan for access at your event by individuals with disabilities:

Event is out-doors on a city street. No additional access needed for event.

Elements of your Event

Setting up a stage? Yes ☐ No ☒

☐ Requesting City's PA system

☐ Requesting City Stage; if yes, which size? ☐ Dimensions (13x28) ☐ Dimensions (20x28)

☐ Applicant providing own stage ► _____ (Dimensions)

Setting up canopies or tents?

_____ # of canopies size _____

_____ # of tents size _____

☐ No canopies/tents being set up

Setting up tables and chairs?

☐ Furnished by Applicant or Contractor

_____ # of tables ☐ No tables being set up

_____ # of chairs ☐ No chairs being set up

☐ (For City Use Only) Sponsored Events – Does not apply to co-sponsored events

_____ # of tables ☐ No tables being set up

_____ # of chairs ☐ No chairs being set up

Contractor Name _____

Contractor Contact Information _____
Address City/State Phone Number

Setting up other equipment?

- ☐ Sporting Equipment (explain) _____
- ☐ Other (explain) _____
- ☒ Not setting up any equipment listed above at event

Having amplified sound and/or music? Yes ☐ No ☒

- ☐ PA System for announcements ☐ CD player or DJ music
- ☐ Live Music ▶ ☐ Small 4-5 piece live band ▶ ☐ Large 6+ piece live band
- ☐ Other (explain) _____

If using live music or a DJ. ▶ Contractor Name _____

▶ _____

Address City/State Phone Number

Using lighting equipment at your event? Yes ☐ No ☒

- ☐ Bringing in own lighting equipment
- ☐ Using professional lighting company ▶ Company Name _____
- _____
- Address City/State Phone Number

Using electrical power? Yes ☐ No ☒

- ☐ Using on-site electricity ☐ For sound and/or lighting ☐ For food and/or refrigeration
- ☐ Bringing in generator(s) ☐ For sound and/or lighting ☐ For food and/or refrigeration

Vendor Information

PLEASE NOTE: You may be required to apply for a temporary health permit if food or beverages are sold or given away during your special event. Also see 'Permits and Compliance' on page 8 in the Special Event Guide. For additional information on obtaining a temporary health permit, please contact the County of San Diego Environmental Health at (619) 338-2363.

Having food and non-alcoholic beverages at your event? Yes ☐ No ☒

- ☐ Vendors preparing food on-site ▶ # _____ ▶ Business License # _____
- If yes, please describe how food will be served and/or prepared: _____

If you intend to cook food in the event area please specify the method:

☐ GAS ☐ ELECTRIC ☐ CHARCOAL ☐ OTHER (Specify): _____

- ☐ Vendors bringing pre-packaged food ▶ # _____ ▶ Business License # _____
- ☐ Vendors bringing bottled, non-alcoholic beverages (i.e., bottled water, can soda, etc.) ▶ # _____
- ☐ Vendors selling food # _____ ▶ Business License #(s) _____
- ☐ Vendors selling merchandise # _____ ▶ Business License #(s) _____

- ☐ Food/beverages to be handled by organization; no outside vendors
- ☐ Vendors selling services # _____ ▶ Business License #(s) _____
- ▶ Explain services _____
- ☐ Vendors passing out information only (no business license needed) # _____
- ▶ Explain type(s) of information _____
- ☐ No selling or informational vendors at event

Having children activities? Yes ☐ No ☒

PLEASE NOTE: In the event inflatable jumps are provided at the event, The City of National City requires commercial liability insurance with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. The application should be filed out at least one week prior to the event. There is a \$25 fee to process the permit application. For questions or to obtain a copy of the "Facility Use Application", please contact the Engineering/Public Works Department at (619) 336-4580.

- ☐ Inflatable bouncer house # _____ ☐ Rock climbing wall Height _____
- ☐ Inflatable bouncer slide # _____ ☐ Arts & crafts (i.e., craft making, face painting, etc.)
- ☐ Other _____

Having fireworks or aerial display? Yes ☐ No ☒

- ☐ Vendor name and license # _____
- Dimensions _____ Duration _____
- Number of shells _____ Max. size _____

PLEASE NOTE: In the event fireworks or another aerial display is planned for your event, The City of National City requires commercial liability insurance with limits of at least \$2 Million dollars per occurrence/ \$4 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. Depending on the size and/or nature of the fireworks display, the City reserves the right to request higher liability limits. The vendor must also obtain a fireworks permit from the National City Fire Department and the cost is \$502.00.

Arranging for media coverage? Yes ☒ No ☐

- ☒ Yes, but media will not require special set-up
- ☐ Yes, media will require special set-up. Describe _____

Event Signage

PLEASE NOTE: For City sponsored or co-sponsored events, banners publicizing the event may be placed on the existing poles on the 1800 block and 3100 block of National City Boulevard. The banners must be made to the City's specifications. Please refer to the City's Special Event Guidebook and Fee Schedule for additional information.

Are you planning to have signage at your event? Yes ☐ No ☒

☐ Yes, we will post signage # _____ Dimensions _____

☐ Yes, having inflatable signage # _____ ► (complete Inflatable Signage Request form)

☐ Yes, we will have banners # _____

☐ What will signs/banners say? _____

☐ How will signs/banners be anchored or mounted? _____

Waste Management

PLEASE NOTE: One toilet for every 250 people is required, unless the applicant can show that there are sufficient facilities in the immediate area available to the public during the event.

Are you planning to provide portable restrooms at the event? Yes ☒ No ☐

If yes, please identify the following:

► Total number of portable toilets: ¹ _____

► Total number of ADA accessible portable toilets: _____

☐ Contracting with portable toilet vendor. ► _____

► Load-in Day & Time Dec 24 Company _____ Phone _____
► Load-out Day & Time Dec 26

☐ Portable toilets to be serviced. ► Time _____

Set-up, Breakdown, Clean-up

Setting up the day before the event?

☐ Yes, will set up the day before the event. ► # of set-up day(s) _____

☒ No, set-up will occur on the event day

Requesting vehicle access onto the turf?

☐ Yes, requesting access onto turf for set-up and breakdown (complete attached Vehicle Access Request form)

☒ No, vehicles will load/unload from nearby street or parking lot.

NPDES-Litter Fence

- ☐ City to install litter fence
- ☐ Applicant to install litter fence
- ☐ N/A

Breaking down set-up the day after the event?

- ☐ Yes, breakdown will be the day after the event. ► # of breakdown day(s) _____
- ☒ No, breakdown will occur on the event day.

How are you handling clean-up?

- ☐ Using City crews
- ☒ Using volunteer clean-up crew during and after event.
- ☐ Using professional cleaning company during and after event.

Miscellaneous

Please list anything important about your event not already asked on this application:

**Please make a copy of this application for your records.
We do not provide copies.**



Special Events

Pre-Event Storm Water Compliance Checklist

I. Special Event Information

Name of Special Event: <u>Christmas with Kids</u>	
Event Address: <u>223 E 3rd St National City, CA 91950</u>	Expected # of Attendees: <u>300</u>
Event Host/Coordinator: <u>Brian Trum</u>	Phone Number: <u>(619) 855-9981</u>

II. Storm Water Best Management Practices (BMPs) Review

	YES	NO	N/A
Will enough trash cans provided for the event? Provide number of trash bins: <u>5</u>	X		
Will enough recycling bins provided for the event? Provide number of recycle bins: <u>2</u>	X		
Will all portable toilets have secondary containment trays? (exceptions for ADA compliant portable toilets)	X		
Do all storm drains have screens to temporarily protect trash and debris from entering?		X	
Are spill cleanup kits readily available at designated spots?			X

* A Post-Event Storm Water Compliance Checklist will be completed by City Staff.

City of National City

PUBLIC PROPERTY USE HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

Persons requesting use of City property, facilities or personnel are required to provide a minimum of \$1,000,000 combined single limit insurance for bodily injury and property damage which includes the City, its officials, agents and employees named as additional insured and to sign the Hold Harmless Agreement. Certificate of insurance must be attached to this permit. The insurance company issuing the insurance policy must have a A.M. Best's Guide Rating of A:VII and that the insurance company is a California admitted company; if not, then the insurance policy to the issuance of the permit for the event. The Certificate Holder must reflect:

City of National City
Risk Management Department
1243 National City Boulevard
National City, CA 91950

Organization: Christmas with Kids

Person in Charge of Activity: Brian Trum

Address: 223 E 3rd St National City, CA 91950

Telephone: _____ Date(s) of Use: _____

HOLD HARMLESS AGREEMENT

As a condition of the issuance of a temporary use permit to conduct its activities on public or private property, the undersigned hereby agree(s) to defend, indemnify and hold harmless the City of National City and the Parking Authority and its officers, employees and agents from and against any and all claims, demands, costs, losses, liability or, for any personal injury, death or property damage, or both, or any litigation and other liability, including attorneys fees and the costs of litigation, arising out of or related to the use of public property or the activity taken under the permit by the permittee or its agents, employees or contractors.

Signature of Applicant: Michael Strand Digitally signed by Michael Strand
Date: 2016.11.23 10:06:17 -08'00'

Official Title: _____ Date: _____

For Office Use Only

Certificate of Insurance Approved _____ Date _____



91 of 106

**CITY OF NATIONAL CITY
NEIGHBORHOOD SERVICES DEPARTMENT
APPLICATION FOR A TEMPORARY USE PERMIT
RECOMMENDATIONS AND CONDITIONS**

SPONSORING ORGANIZATION: Christmas with Kids
EVENT: Frank King's Christmas with Kids
DATE OF EVENT: December 25, 2016
TIME OF EVENT: 7 a.m. to 11 a.m.

APPROVALS:

DEVELOPMENT SERVICES	YES [x]	NO []	SEE CONDITIONS [x]
RISK MANAGER	YES [x]	NO []	SEE CONDITIONS [x]
PUBLIC WORKS	YES [x]	NO []	SEE CONDITIONS [x]
FINANCE	YES [x]	NO []	SEE CONDITIONS [x]
FIRE	YES [x]	NO []	SEE CONDITIONS [x]
POLICE	YES [x]	NO []	SEE CONDITIONS [x]
CITY ATTORNEY	YES [x]	NO []	SEE CONDITIONS [x]
COMMUNITY SERVICES	YES [x]	NO []	SEE CONDITIONS []

CONDITIONS OF APPROVAL:

DEVELOPMENT SERVICES

Engineering

Due to street closure a complete traffic control plan with detours shown is required.

"No Parking" signs are required to be placed a minimum of 72 hour prior to the start of the event.

Place "Road Closed" signs on type III barricades at both ends of the road closure, in front of the already proposed barricades.

PUBLIC WORKS (619)366-4580

Streets Division

Streets will provide 8 barricades for the road to be closed at no cost and will be put up and taken down by applicant.

FINANCE

Christmas with Kids needs to renew their business license.

RISK MANAGER (619) 336-4370

I have reviewed the above captioned request for the issuance of a Temporary Use Permit. In order to satisfy the City's insurance requirements it will be necessary that the applicant provide the following:

- Provide a valid copy of the Certificate of Liability Insurance wherein the City of National City, its officials, agents, employees and volunteers are named as an additional insured by way of a separate endorsement.
- The insurance policy must have a combined single limit of no less than \$1,000,000.00 (ONE MILLION DOLLARS) for each occurrence and \$2,000,000.00 (TWO MILLION DOLLARS) in aggregate that would cover the date and location of the event.
- The insurance company issuing the insurance policy has an A.M. Best's Guide Rating of A: VII and that the insurance company is a California admitted company.
- The Certificate Holder reflects:
City of National City
c/o Risk Manager
1243 National City Boulevard
National City, CA. 91950-4397
- Name, address and contact information for the broker providing this insurance policy was provided.

CITY ATTORNEY

Requires an indemnification and hold harmless agreement, and a policy of general liability insurance, with the City and its officials, employees, agents and volunteers as additional insureds, with amounts of coverage to be determined by the Risk Manager.

FIRE (619) 336-4550

No Cost for this event

Stipulations required by the Fire Department for this event are as follows:

- 1) Maintain Fire Department access at all times. Emergency services access shall be given to all emergency apparatus upon approach.
- 2) Access for Fire Department shall be maintained at all times. At no time shall fire lanes, fire hydrants, fire protection systems of all types etc. be obstructed at any time. A minimum of 20 feet wide shall be maintained for the use of fire lanes.

POLICE

Traditionally this event is well attended. Since both sides of the streets will be closed, there should not be any traffic issues. In the past, the organizers have asked us to help with the arrival of "Santa" before the distribution of these bikes. Time/calls permitting, we'll try to get our beat officer to stop by and accommodate them for a short period of time.

In addition, we'll provide some extra patrol for the event.

The following page(s) contain the backup material for Agenda Item: Scheduling of City Council workshops related to the discussion and preparation of the City of National City's annual budget for Fiscal Year 2018 and Five-Year Strategic Plan. (Finance)

CITY OF NATIONAL CITY, CALIFORNIA COUNCIL AGENDA STATEMENT

MEETING DATE: December 13, 2016

AGENDA ITEM NO.

ITEM TITLE:

Scheduling of City Council workshops related to the discussion and preparation of the City of National City's annual budget for Fiscal Year 2018 and Five-Year Strategic Plan.

PREPARED BY: Ed Prendell, Budget Analyst

DEPARTMENT: Finance

PHONE: 619-336-4332

APPROVED BY: Mark Ralento

EXPLANATION:

The City of National City operates on a fiscal year calendar: July 1st through June 30th of the following year. On or before June 30th of each year, the operating budget for the following fiscal year is presented to the City Council for adoption. The process of developing the City's annual budget includes a series of events over a four to five month period, including departmental budget reviews and appropriation requests, community meetings via Neighborhood Councils, financial review/analysis by the Department of Finance, and City Council workshops.

The fiscal year 2018 annual budget schedule includes a City Council workshop scheduled for February 7, 2017 at 4:00 pm to discuss the City Council's budgetary priorities. In addition, two workshops have been tentatively scheduled for April 25 and May 23, 2017, each at 4:00 pm, for presentation and discussion of the preliminary budget. The latter meeting date may not be needed but is placed on the calendar as a contingency.

The City's five-year Strategic Plan is updated every two years, historically in conjunction with the budget process. Therefore, a strategic planning workshop has been tentatively scheduled with the City Council for March 21, 2017 at 4:00 pm.

With this item, staff seeks approval of these tentative budget and strategic planning workshop dates. In the alternative, if the dates are not agreeable to the majority of the City Council, direction on alternative dates is sought.

FINANCIAL STATEMENT:

APPROVED: Mark Ralento **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

There is no fiscal impact associated with this item.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Approve staff's recommended budget and strategic planning workshop dates.

BOARD / COMMISSION RECOMMENDATION:

NA

ATTACHMENTS:

Budget & Strategic Planning Schedule – Fiscal Year 2018



BUDGET & STRATEGIC PLANNING SCHEDULE - FISCAL YEAR 2018

DATE & TIME	DESCRIPTION	DEPARTMENT
Tuesday, Feb. 7th 4 PM	City Council budget priorities	Council/Staff
Tuesday, Feb. 7th 6 PM	Request direction from the City Council for Budget Workshops and Budget Adoption dates	Council/Staff
Tuesday, Feb. 28th 4 PM	City Council - Capital Improvement Program: Needs Assessment and Funding Options	Council/Staff
Tuesday, Mar. 21st 4 PM	TENTATIVE City Council - Strategic Planning Workshop	Council/Staff
Tuesday, Apr. 25th 4 PM	TENTATIVE TENTATIVE Budget Workshop / Preliminary Budget Presentation	Council/Staff
Wednesday, May 3rd 6:30 PM	Neighborhood Council presentations (Kimball Neighborhood Council Meeting)	Finance
Thursday, May 11th 6:30 PM	Neighborhood Council presentations (El Toyon Neighborhood Council Meeting)	Finance
Wednesday, May 17th 6:30 PM	Neighborhood Council presentations (Las Palmas Neighborhood Council Meeting)	Finance
Tuesday, May 23rd 4 PM	TENTATIVE Budget Workshop (Tentative)	Council/Staff
Tuesday, Jun. 6th 6 PM	TENTATIVE Budget Hearing / Adoption of Budget	Council/Staff
	TENTATIVE	

The following page(s) contain the backup material for Agenda Item: Staff Report: Fiscal Year 2016 and 1st Quarter Fiscal Year 2017 Budget Review. (Finance)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 13, 2016

AGENDA ITEM NO.

ITEM TITLE:

Staff Report: Fiscal Year 2016 and 1st Quarter Fiscal Year 2017 Budget Review.

PREPARED BY: Mark Roberts, Director of Finance

PHONE: 619-336-4265

DEPARTMENT: Finance

APPROVED BY: Mark Roberts

EXPLANATION:

See attached staff report.

FINANCIAL STATEMENT:

ACCOUNT NO.

NA

APPROVED: Mark Roberts

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Accept the staff report as presented.

BOARD / COMMISSION RECOMMENDATION:

NA

ATTACHMENTS:

Staff report



City Council Staff Report

December 13, 2016

ITEM

Staff Report: Fiscal Year 2016 and 1st Quarter Fiscal Year 2017 Budget Review

BACKGROUND

Consistent with the City of National City's Strategic Plan element of providing consistent financial updates, this report provides a review of the financial operating results of the City for fiscal year 2016 and a status report for the first quarter of fiscal year 2017.

Budgets are projections based on known and anticipated future revenues and expenditure obligations. Throughout the fiscal year, staff monitors and analyzes actual revenues and expenditures against projections, providing periodic reports to the City Council, City Manager, and department directors. The totals presented herein for fiscal year 2016 are a summary of the actual revenues and expenditures compared to the corresponding budgeted amounts for the year. However, as of the date of this report, the independent audit for fiscal year 2016 has not concluded. As a result, the actual amounts are subject to change should adjustments be necessary prior to closing the books for the period. The fiscal year 2017 first quarter data reflects revenue and expenditure totals for the period of July 1st through September 30th compared to the same period for the prior year.

DISCUSSION

Fiscal Year 2016

One of the major activities following the end of a fiscal year is the preparation for the annual audit of the City's financial records and completion of the comprehensive annual financial report (CAFR). This work includes such activities as processing final invoices for services and products provided by outside vendors prior to fiscal year-end; ensuring all revenues and expenditures have been appropriately accounted for; and comparing bank and investment account statements with general ledger balances, reconciling discrepancies, and posting adjusting (journal) entries as necessary. Much of this work has been completed, and it is anticipated the fiscal year 2016 CAFR will be completed by December 29, 2016.

It is expected the CAFR will show an increase in the total fund balance of the City's General Fund due to a combination of overall cost savings and revenues which exceeded projections. The variances between budgeted and actual revenues and expenditures are summarized below.

Revenues

The City receives revenues from various sources, some of which provide unrestricted cash that may be used at the City's discretion. Other revenues are reserved for specified purposes, for example, grant funds received for capital projects. Actual revenues for fiscal year 2016, listed by source in the table below, were higher than the budgeted total by more than \$5.3 million.

Fiscal Year-End Revenue Totals

Revenue Source	Adjusted Budget¹	Actual (Estimated)	Variance
Sales & Use Tax	\$ 14,703,370	\$ 15,033,297	\$ 329,927
District Transactions & Use Tax	10,216,000	10,607,345	391,345
Property Tax ²	2,114,005	1,927,422	(186,584)
Property Tax in Lieu of VLF	5,736,819	5,690,092	(46,727)
Property Tax in Lieu of Sales Tax	3,255,629	3,372,747	117,118
Other Revenue	11,537,379	16,242,270	4,704,891
Total	\$ 47,563,202	\$ 52,873,172	\$ 5,309,970

¹ adopted budget, plus budget adjustments

² reflects reduction for property tax allocation to the Library and Parks Maintenance funds

The positive variances (actual vs budget) of \$329,927 in sales & use tax revenue and \$391,345 in district transactions & use ("Proposition 'D'") tax revenue resulted from growth in retail sales that exceeded expectations, especially in the categories of autos & transportation and business & industry. Property taxes for fiscal year 2016 were less than anticipated by \$186,584. Staff uses the best information available to project these revenues at the time of budget development; however, these estimates are prepared in advance of the release of assessed values by the San Diego County Assessor in June and subsequent adjustments to those values. The primary contributors to the negative variance are the exemption of the Park Villas Apartments property and a drop in the taxable value of unsecured properties.

Property tax in lieu of VLF (Vehicle License Fee) revenue ended the year slightly below its budgeted amount. However, this revenue, which is tied directly to the annual reported change in assessed value, has consistently climbed over the past five years, when excluding exemptions, changes in ownership, and completion of new construction. The State Department of Finance determines the City's property tax in lieu of sales tax allocation after adoption of the City's budget. This revenue was higher than estimated during preparation of the budget.

The "Other Revenue" category includes various accounts related to ongoing City operations, one-time events, and capital projects reimbursements. The positive variance of \$4.7 million in this category is the net result of variances across multiple accounts. Significant components include the following unbudgeted or over-realized revenues:

- \$1.3 million in unbudgeted reimbursements related to capital projects (\$972,372 from the Port of San Diego for construction of the Aquatic Center and \$339,118 for the WI-TOD site remediation and Public Works relocation projects);

- the unanticipated \$704,121 General Fund share of the \$1.8 million settlement agreement between the City and Rosenow Spevacek Group, Inc. (“RSG”) identified during the fiscal year 2016 mid-year budget review;
- a transient occupancy tax revenue positive variance of \$610,588 resulting from the improving economy (The fiscal year 2017 budget accounts for an increase in this revenue);
- residual balance distributions and administrative costs reimbursements from the Successor Agency totalling \$421,532 more than budgeted;
- unbudgeted overtime reimbursements of \$240,913 for the Fire Department strike team’s participation in fighting various wildfires throughout the State in the amount.

Expenditures

As of June 30, 2016, General Fund expenses totaled \$49.1 million, \$5.6 million less than the adjusted budget of \$54.7 million. Of this variance, \$3.9 million is attributable to amounts budgeted, but not spent, for various capital projects. The unspent capital project appropriations have been carried over to the fiscal year 2017 budget and remain committed to the capital projects approved by Council.

Fiscal Year-End Expenditure Totals

Expenditure Type	Adjusted Budget¹	Actual (Estimated)	Variance
Personnel Services	\$ 31,488,006	\$ 31,064,807	\$ 423,199
Maintenance & Operations	6,116,917	5,204,556	912,362
Capital Projects	9,932,895	6,016,709	3,916,185
Internal Service Charges	6,766,121	6,674,612	91,509
Other Expenditures	434,899	149,901	284,998
Total	\$ 54,738,838	\$ 49,110,585	\$ 5,628,253

¹ adopted budget total, plus budget amendments, encumbrances, & capital projects appropriations carried forward from previous fiscal year(s)

The remaining \$1.7 million of the variance is due to operational cost savings. Personnel cost savings primarily were due to vacant authorized positions in the City Manager’s Office, Engineering & Public Works Department, and City Attorney’s Office. Many of these positions have been filled, which likely will decrease savings in fiscal year 2017. Maintenance & operations (“M&O”) savings were realized in various accounts, particularly in professional services, contract services, and unemployment insurance. The variance in “Other Expenditures” results from savings in the Refunds, Contributions and Special Payments category, the largest of which occurred in the Fee Study and Successor Agency Property Management accounts, and in the Provision for Contingency account, which is used to provide funding for various small unanticipated expenses not attributable to a specific department. (The fee study will be conducted in fiscal year 2017, and funds have been appropriated accordingly.)

Transfers In/Out

While technically not revenues and expenditures (and, hence, not shown above), transfers in and out of the General Fund contribute to fund balance increases and decreases, respectively. Transfers out from the General Fund were \$79,998 less than their budgeted total. No transfers into the General Fund were budgeted, but \$2.5 million was transferred from various internal service funds to fund the new Facilities Maintenance Reserve.

Net Impact on Fund Balance

Fiscal year 2016 revenues, expenditures, and transfers resulted in an estimated fund balance gain of \$3.3 million, as compared to the budgeted usage of \$2.4 million, a positive difference of \$5.7 million. However, due to the various factors affecting the categories of fund balance – nonspendable, restricted, committed, assigned, and unassigned, the impact of fiscal year 2016 operations on each category is not yet known.

Fund Balance Change – Actual vs Budget (Estimated)

	Actual (Estimated)	Adjusted Budget	Variance
Revenues	\$ 52,873,172	\$ 47,563,202	\$ 5,309,970
Transfers In	2,500,679	-	2,500,679
Total Revenues & Transfers In	\$ 55,373,851	\$ 50,421,106	\$ 7,810,649
Expenditures	\$ (49,110,585)	\$ (54,738,838)	\$ 5,628,253
Transfers Out	(2,954,340)	(3,034,338)	79,998
Total Expenditures & Transfers Out	\$ (52,064,926)	\$ (57,773,176)	\$ 5,708,251
Fund Balance Gain/(Usage)	\$ 3,308,926	\$ (2,399,325)	
Beginning Fund Balance	\$ 40,972,080	\$ 40,972,080	
Ending Fund Balance	\$ 44,281,006	\$ 38,572,755	

1st Quarter Fiscal Year 2017

The most useful information at the end of the first quarter (July 1st through September 30th) is a comparison of the fiscal-year-to-date totals of the City's major revenue sources and expenditure categories for the period for the current and prior fiscal years. This information is summarized in the tables below.

Revenues1st Quarter Revenue Comparison

Revenue Source	FY 16	FY 17
Sales & Use Tax	\$ 1,197,705	\$ 1,839,466
District Transactions & Use Tax	907,602	1,037,040
Property Tax	43,475	44,431
Property Tax in Lieu of VLF	-	-
Property Tax in Lieu of Sales Tax	-	-
Other Revenue	1,808,549	1,769,405
Total	\$ 3,957,331	\$ 4,700,342

Since it is early in the fiscal year, the ability to project year-end revenue totals is limited. Some facts are known, however. The spike in fiscal-year-to-date sales & use tax revenue is mostly due to the elimination of the property tax in lieu of sales tax, which was created in conjunction with the “triple flip,” the State’s sales-tax-shifting mechanism whereby one-quarter of the 1% local sales tax was taken by the State to repay its economic recovery bonds and replaced with county property tax revenue. The elimination of the property tax in lieu of sales tax and restoration of the full 1% local sales & use tax will result in higher sales & use tax revenue in fiscal year 2017 and future years. The increase also is due to the improved economy and a higher “make-up” distribution received from the State during the first quarter of fiscal year 2017 than in the prior fiscal year. The make-up distribution is a quarterly payment to account for the shortage of advanced payments for these revenues in relation to actual collections. However, since the make-up distributions received during the first quarter are associated with increases for their corresponding prior fiscal years, they have no bearing on current-year outcomes. The growth in district transactions & use tax revenue also is attributable to the economy and a higher make-up distribution.

Fiscal year 2017 property tax revenue is expected to only slightly exceed that of fiscal year 2016, consistent with budgeted totals. While the revenue is low for both years, this is normal at this point of the year, as the largest portions of property tax revenues are typically received in December and April, corresponding to tax due dates.

Having received information from the County regarding fiscal year 2017 distribution of property tax in lieu of VLF, staff can report that this revenue will be \$5,909,395, \$7,172 above budget. As noted above, the property tax in lieu of sales tax has been eliminated; therefore, this revenue will no longer be received. Because the distribution of these “in lieu of” revenues occurs at the same time as property taxes, i.e., in December and April, no allocations of either revenue was received in the first quarter of the current or previous fiscal year.

Expenditures

1st Quarter Expenditure Comparison

Expenditure Type	FY 16	FY 17
Personnel Services	\$ 6,329,138	\$ 6,806,535
Maintenance & Operations	519,733	485,322
Other Expenditures	2,684,649	2,841,334
Total	\$ 9,533,520	\$ 10,133,190

As with revenues, year-end expenditure totals are difficult to project. Also as with revenues, however, facts are known, given information available. Personnel costs are higher than fiscal year 2016's at the same point due to modest increases to staffing and compensation, and, as noted above, cost savings are less likely due to the filling of vacant positions. Fiscal-year-to-date 2017 M&O expenditures are slightly lower than for fiscal year 2016 due to the timing of these expenses. And although cost savings are again likely in fiscal year 2017, the savings margin (actual vs budget) is likely to be smaller than in recent years due, in part, to the implementation of budget measures designed to improve expenditure projections.

Budgetary Outlook

The fiscal year 2017 planned use of General Fund fund balance is \$5.4 million. Additional labor costs are likely to be significant with expected increases in pension contribution rates having a compounding effect. The \$500,000 appropriation to meet the San Diego Association of Governments (SANDAG) "maintenance of effort" requirement for TransNet allocations added in fiscal year 2016 continues, as well as operating support for the Housing Choice Voucher program. And the need to replace aging fleet vehicles adds pressure on the current year's and future budgets. However, based on the City's recent history, the actual use of fund balance is anticipated to be lower than this amount due to conservative revenue projections and spending.

Conclusion

As discussed above, the City's financial operating results for fiscal year 2016 were positive with overall revenues surpassing projections and expenditures in all major categories ending the year well below budget. Thus, the fund balance of the General Fund grew. But while over-realized revenues and fiscal prudence played a role in this outcome, events that cannot be assumed to continue at the same levels also contributed, including unbudgeted one-time revenues and unspent capital appropriations.

Factors likely to affect fund balance in the future include the following:

- Actuarial adjustments by the California Public Retirement System (CalPERS) are estimated to require increases in the City's employer contribution to employee pension funds into the foreseeable future. For fiscal year 2018, the City's contribution is

estimated to increase over the fiscal year 2017 rate by 1.66% of payroll to 27.462% for miscellaneous employees and by 2.95% to 48.005% for public safety employees.

- An assessment of the City's deferred facilities maintenance needs is expected to be completed during the current fiscal year. While the cost of this maintenance currently is unknown, it is expected to be significant. Staff currently is analyzing various options to finance this cost, including use of the newly created Facilities Maintenance Reserve.
- With the City's renewed focus on economic development, including the addition of a Community Development Specialist II to spearhead the effort, it is hoped the City will be able to spur new development and enhance its tax base. Any such new development and subsequent tax base enhancement are likely to be realized in future years, however. A report on the program's action/strategic plan and timeline is anticipated for early 2017.

RECOMMENDATIONS

Accept this staff report.